OVERSIGHT HEARING ON EFFECTS OF CUTS IN FEDERAL FUNDING ON SMALL SCHOOL DISTRICTS

HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

HEARING HELD IN PARAMOUNT, CA, APRIL 4, 1986

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CONTENTS

	Page
Hearing held in Paramount, CA, on April 4, 1986	1
Statement of:	
Burke, Dr. Albert, assistant superintendent, business service, Paramount Unified School District	4
Curtiss, Dr. Paula, coordinator of special services, Bellflower Unified School District	7
Garcia, Fortunato, chairperson, Whittier Area Consortium, coordinator comp. ed., El Rancho Unified School District	40
ImObersteg, Gail, director of Federal liaison office, California State Department of Education	23
Kimbrough, Dr. Ted D., superintendent of public instruction, Compton Unified School District	18
Nash, Dr. McKinley M., superintendent, Centinela Valley Union High School	10
Prepared statements, letters, supplemental material, et cetera:	
Honig, Bill, superintendent, California State Department of Education, prepared statement of	27
Kimbrough, Dr. Ted D., prepared statement of	21
Murray, Willard H., Democratic candidate for the 54th assembly district of the State of California, prepared statement of	44
Nash, Dr. McKinley, prepared statement of	12
Reynolds, W. Ann, chancellor, California State University, prepared statement of	42

OVERSIGHT HEARING ON EFFECTS OF CUTS IN FEDERAL FUNDING ON SMALL SCHOOL DISTRICTS

FRIDAY, APRIL 4, 1986

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Paramount, CA.

The subcommittee met, pursuant to call, at 9 a.m., in city council room, Paramount City Hall, Paramount, CA, Hon. Augustus F. Hawkins (chairman) presiding.

Members present: Representatives Hawkins and Dymally.

Staff present: Nancy Kober, legislative specialist; Beth B. Buehlmann, Republican education staff director.

Chairman HAWKINS. The Subcommittee on Elementary, Secondary, and Vocational Education is called to order. The Chair would like to simply announce that at the invitation of our distinguished colleague, Congressman Mervyn Dymally, this hearing is being held today in the city of Paramount. We are certainly pleased to accommodate our distinguished colleague, a member of the Committee on Education and Labor, and one of the more active ones on the committee, who has done an outstanding job, not only in the field of elementary, secondary, and vocational education, but also more recently in higher education. Mr. Dymally, as most of you know, is from the field of education himself, having been a practicing teacher, and is certainly one of the great additions to the committee.

I, as chairman of the committee, understand that the hearing today will focus on the impact of the budget cuts more recently known as the Gramm-Rudman budget cuts. On March 1, the first Gramm-Rudman budget cut took effect; this cut was devastating, but it was less than 5 percent. We are now faced with the possibility of a 25-percent budget cut in October, which is the beginning of the 1986 fiscal year, and it is highly possible that as the chairman of the subcommittee, as well as the full committee, we will receive a mandate to make such cuts. However, this committee has already recommended against any additional cuts in education, and so far we have been able to locate other means of making good on our pledge to reduce the overall funding without tampering with elementary, secondary, and vocational education. We've done this by making certain adjustments in the grant programs and other programs in higher education pertaining to the manner in which loans

are made as well as grants, and also we have increased the pension funding tax on those that are able to pay it and in this manner we have so far been able through some skillful manipulation, shall I say, to avoid any serious cuts that would be felt at the local level. How long this will go on, is difficult to say.

The reason for this hearing, therefore, is to receive suggestions and recommendations and also to document the impact of the cuts so that we may be able to better protect local districts from any further injury. At this point, the Chair would like to yield to Mr. Dymally for whatever statement he cares to make.

Mr. DYMALLY. Thank you very much, Mr. Chairman. It's indeed a pleasure to be here today and to be able to take part in this most significant hearing. I thank all the witnesses for taking time from their demanding schedules to give testimony on the effects that they are experiencing as a result of the administration's cuts in Federal funding on small school districts. I also thank my colleague, Congressman Hawkins, for taking time off his recess schedule to be with us today in Paramount. I know this hearing will shed light on what is actually happening to education in the State of California, and give a more accurate picture of the small school districts in the 31st Congressional District.

It is my firm conviction that education should not be the target of Federal budget cutting. Education must remain a national priority for it is one of the surest means of securing our national defense and providing for the continued well-being and security of our Nation. Federal education programs are only a minute portion of the total budget, approximately seven one-thousandth percent. If we in the Congress would eliminate all Federal spending in the area of education, we would not make a significant impact on the deficit nor would we alleviate the economic crisis that we find ourselves in today.

Last, Federal education programs have not been adding to the deficit because since 1980, education programs have been frozen or cut while other sectors of the budget, like entitlements or defense, have experienced significant increases.

Here in California, where 10 percent of the Nation's population resides, education has always been and will continue to be top priority. However, we in California are experiencing problems that are most unique. We have a dropout rate that is larger than the national average, fewer of our students are attending college than ever before, and minority students are overrepresented in both these categories above.

Programs, such as Impact Aid, Public Law 81-874, are not being funded by the Federal Government and schools are not being constructed nor repaired because of lack of funding. But, moreover, revenue which is due to the local school districts is not reaching the areas which cannot collect taxes, such as military-related education, and this revenue is directed by law.

Bilingual education, a topic near and dear to the State of California, and especially to the district which I have the pleasure of representing, is experiencing devastating cuts.

The Department of Education takes the position that the transitional method of learning English, that is learning from the perspective of one's native language, is unwarranted and, therefore,

the essence and dimensions of this program are changed in a manner which does not favor the student nor the instructors.

Teacher training, an issue of primary importance to the State of California, is to experience greater cuts, cuts at a time when the numbers of minority students are expected to increase within the State and the numbers of minority teachers are at a record low. The Federal proposal does not consider the need for role models among all races and may well account for a part of the dropout problem that California and the Nation is experiencing.

Last, the Gramm-Rudman cuts have been a discouraging reality for the Nation and for the State of California. While I did vote against the legislation, and will do all that is within my power to rescind it, education, and especially small school districts have to live with this unfair law.

I am anxious, therefore, to hear testimony of these witnesses here today in light of the fact that the Subcommittee on Elementary, Secondary, and Vocational Education will be reauthorizing the public law affecting elementary education in 1987. I will remember the concerns expressed here today and do all I can to correct that problem.

And finally, let me thank Congressman Hawkins for convening the hearing here today, because he as chairman of the committee recognizes the need for focusing attention in the small school districts. As a rule we hear about the large urban school districts, Los Angeles dominating—Los Angeles County—so today's hearing is unique. It's an attempt to get the small school districts to lay before Congress some of the problems they are experiencing.

Mr. Chairman, again, I thank you very much.

Chairman HAWKINS. Well, thank you, Mr. Dymally. The Chair would like to introduce the staff of the committee. To my immediate left is Ms. Nancy Kober, and to her left is Ms. Beth Buehlmann, who represents the minority members of the committee.

The Chair will call on the witnesses in the order which they are listed. While it mentions a panel, I think it may be better done by calling them in a single manner rather than trying to fit six people into three chairs in front of us. So, that——

Mr. DYMALLY. Mr. Chairman, that's what we're trying to do with the budget.

Chairman HAWKINS. Well, unfortunately the solution is not as easy as the solution today. We'll first hear from Dr. Albert Burke, assistant superintendent, business service, Paramount Unified School District. Dr. Burke, would you kindly come to the witness table, and you may for the record identify your associate who is with you. We look forward to your testimony.

Mr. DYMALLY. Mr. Chairman, before Dr. Burke begins, may I suggest to the witnesses that if they have lengthy statements, those statements will be entered into the record and they can feel free to summarize.

Chairman HAWKINS. Yes; the Chair would like to emphasize that, to leave time for questioning. I think sometimes that is much more effective. Dr. Burke.

STATEMENT OF DR. ALBERT BURKE, ASSISTANT SUPERINTENDENT, BUSINESS SERVICE, PARAMOUNT UNIFIED SCHOOL DISTRICT

Dr. BURKE. I've been accompanied by Dr. Phil Shaner, he's the director of Federal projects at the Paramount Unified School District.

Chairman HAWKINS. Thank you.

Dr. BURKE. I will be very brief in my remarks and just attempt to summarize the information I've received. In one area, for example, in food services in Federal lunch programs. Our school district is unique in that we have been very fortunate in holding down the costs of lunch programs in our district because most school districts are in the area of a dollar or more for a lunch for an elementary student.

Let me summarize what would happen to the lunch program in our district next year with cuts coming in. In the elementary we would increase from 60 cents to 95 cents. In the intermediate we would increase from 70 cents to $1.10, intermediate being the junior high level. In the senior high program, we would increase from 80 cents to $1.25. These increases represent cost increases in the neighborhood of about 55 to 60 percent.

If we look at the vocational program, the loss of funding in that area would result in loss of aides, in a particular program we can think of reduced vocational funding resulting in the loss of an aide in a unique program of hand tool technology and small engine repair. Now, this is a program for handicapped young people, mentally handicapped, that makes them productive in society. They would then be able to go out and be employable. This program operates with a teacher supervisor and an aide and that aide works with these young people on a ratio of about seven to eight to one at the most, usually four or five. That would be affected. We have already seen a 56-percent reduction in our funds from 1984–85, and this just compounds it. We would see a reduction in teacher aides in consumer and homemaking classes.

These are quick statements. I think the major thing to consider is we have been advised, pressured, what-have-you, we've done it because we wanted to largely, but the Congress of the United States, the President of the United States, the California Legislature, the Governor, have all encouraged us to increase teachers' salaries in the last several years because we've spotlighted education. Once we've increased those salaries we bring on a cost of approximately 8 percent per year or thereabouts to cover that. But, then at the same time we reduce the funds that are available for expenditure in some areas by 4 percent. This results, really in closer to a 12-percent reduction, because we have done what we were asked to do, and that was to do our best to raise the status of education as a profession, which certainly enhances the opportunities for young people.

If we take a look at our chapter 1 and chapter 2 programs, this area again the reductions would result in loss of teacher aides. Let's take our chapter 1 program. This program, the major identifying factor that a lot of you would quickly understand, is when you recognize that 50 percent of the population of the Paramount

School District is on free/reduced-price meal. Look at the ethnic distribution of our district. It's approximately 70 percent or more in I would say Hispanic, with a high percentage of bilingualism. These young people need a teacher's aide in the classroom to work with the teacher. Ofttimes we will have that aide whether or not we receive the Federal funds, but in many cases we will not get the aide in the class where we will have the student already making the transition but still needing help, because we will have lost the chapter 1 funds or heavily reduce those funds, resulting in a loss of available aides.

I think, in brief, that pretty much sums up the effect that it would have on our school district. It would be, in effect, cuts that hurt young people, that have the least opportunity in our society because they begin life very often with a learning disability. We would lessen their opportunity to participate in our democracy, in our society, and where would those role models that Mr. Dymally mentioned, where would they come from if we reduce the possibility of their learning the language of this Nation well? It's necessary for them to go to college and the universities and to go ahead. Does that sum it up, Phil?

Dr. SHANER. I think so. I support that.

Dr. BURKE. OK. Any questions?

Chairman HAWKINS. Yes. Dr. Burke, the statement is often made by the administration, and particularly by the Department of Education, that if these aides are needed and are performing as you indicate, and if the other personnel that are involved in the various programs are desired, that the local school district will find some way to locate the funding of it, presumably at the State level or at the local level. Without getting into my own personal views on this theory, do you believe that if the Federal reductions are made and continue to be made, that the State or some other source will be available to you in order to continue the type of programs that you have mentioned?

Dr. BURKE. In a more affluent community, perhaps you could start a foundation which exists in places like Beverly Hills, San Marino, locations such as that. Communities such as ours, I don't believe there would be a foundation started.

Chairman HAWKINS. It doesn't hurt to have a couple oil wells on your campus.

Dr. BURKE. It helps a little. The history of education since I became involved in the business side of education, prior to that I was a principal. The history of education has been one where we have always made do. No matter what happened, they cut it, we found a way to make it. Sometimes we did it by not hiring additional teachers we needed. Sometimes we did it by letting our plants go to decay. Sometimes we did it by letting our grounds turn brown and then come back later and try to fix them back up again and it cost more than maintaining them. Sometimes we let the roofs go. Sometimes we gave raises because the only way we could do it was by increasing fringe benefits. Yes, we found a way, that's been the history of my background in education for the last 12 years as an assistant superintendent for business. But, this time I don't see how we're going to be able to go out and create the positions of teacher aides without funds. And I don't think I'm alone.

Chairman HAWKINS. Quickly, one other question. With respect to the school lunch program, the statement is also made by the same source as the other statement, that you have paying students who possibly don't need the program and if you increase the cost to them, then you would have the needy students being served by the Federal program. Do you see that as a possible outcome of increasing the cost of a school lunch?

Dr. BURKE. If you take a community that the bulk of its population is a rather low paid population in general, and if I increase the cost of those meals to the paying student, many of those students are not going to be able to have a hot lunch. Their parents will not be able to pay for it, even as low as my costs are. There are other communities where the cost of $1.50 represents a lot less to that family than 60 cents does to my family, the students in my community. We're very fortunate to be able to keep the cost down, but I agree that—educational research has shown fundamentally, that a hungry child doesn't learn. So, we can talk all day about increasing the price, but if I increase it I'm going to have hungry kids, because I have some children that won't get that meal that they need.

Chairman HAWKINS. Well, thank you, I——

Dr. BURKE. My families can't afford that kind of increase.

Chairman HAWKINS. I might say in a humorous vein that those oil wells, too, may be bringing in less money if the prices continue to drop.

Dr. BURKE. Thank you.

Mr. DYMALLY. Dr. Burke?

Dr. BURKE. Yes, sir.

Mr. DYMALLY. I've got a couple. Does the free lunch program accommodate those people who now cannot pay that increased price that you have to impose?

Dr. BURKE. Well, it's all established by the number of children in a family in relation to the income of that family. We have over 50 percent of our students on either free or reduced-price meals. And I dont think the next door neighbor of many of those people are making much more, but they don't qualify for it. And some of them even find a difficulty with the reduced-price meals. By the way, we have a breakfast program in our district as well, because of our children's needs.

Mr. DYMALLY. In the pre-13 days you had the option of an override in one area so you could switch money from here to the other. What do you do for local moneys now?

Dr. BURKE. Today?

Mr. DYMALLY. Yes.

Dr. BURKE. You hope somebody donates it.

Mr. DYMALLY. Yeah.

Dr. BURKE. There's no override.

Mr. DYMALLY. No source?

Dr. BURKE. Well, with the inception of proposition 13 and prior to that Senate bill 90 in California, the opportunity of the school district to adjust to changes such as that, fundamentally, they're gone. Super majorities to get anything passed are almost impossible.

Mr. DYMALLY. Now, we've been hearing a lot about the increased funding on the part of the State legislature, but you came from way down there to about here. Does that help take the pressure off of you?

Dr. BURKE. The easiest way to describe that is Paramount Unified School District was poorer than Baldwin Park, which was the school district cited in the *Serrano* case, OK? The gap, the dollar gap, in our income level per student today, is greater today than it was when that suit was brought. Beverly Hills now gets more per student in dollars, in a gap, than we do. The gap is bigger. And we're doing very well. I'm—don't get me wrong. I'm grateful for everything that's been done, but I think it's important that everybody understand that, even though that gap has satisfied the courts, because the percentages changed the dollar gap is still there.

Mr. DYMALLY. And your needs are greater in terms——

Dr. BURKE. Absolutely.

Mr. DYMALLY [continuing]. Of teacher aide and bilingual education?

Dr. BURKE. The research is showing, particularly in the South, that whether we like it or not if we haven't got the bucks you don't change it. And if you do get them, you can change it.

Mr. DYMALLY. Thank you very much, Mr. Chairman.

Chairman HAWKINS. Thank you, Doctor.

The next witness is Dr. Paula Curtiss, coordinator of special projects for the Bellflower Unified School District. Dr. Curtiss, we welcome you before this committee. You do have a prepared statement, do you?

Dr. CURTISS. Yes, I do.

Chairman HAWKINS. That will be entered in the record in its entirety and we would appreciate it if you would give us the highlights of it, and then we may have one or two questions to ask of you.

STATEMENT OF DR. PAULA CURTISS, COORDINATOR OF SPECIAL SERVICES, BELLFLOWER UNIFIED SCHOOL DISTRICT

Dr. CURTISS. Certainly, I'm here representing my superintendent of schools, Mr. Kenneth L. Davis.

Let me tell you a little bit about Bellflower Unified School District. We're small. We're less than 10,000 ADA, located in right next door in the southwest portion. We serve most all of the city of Bellflower and a major portion of the city of Lakewood, and a small portion of the city of Cerritos.

Data that was compiled by the L.A. County Office of Education states that approximately 24 percent of our population over 25 years of age have less than a high school diploma. A review of the number of students participating in the Aid to Families with Dependent Children, the welfare program, shows a rising trend over 3 years, which includes over 12 percent of our district's enrollment. In addition to that, we have almost 600 students enrolled that speak over 23 different languages.

The three federally funded programs that I have remarks about today are chapter 1, chapter 2, and the Carl Perkins Vocational

Education Act. In chapter 1, which as you know, the program goal is to expand and improve the educational achievement of our educationally disadvantaged students by providing over and above instruction in the areas of reading, language arts, and math. This to be provided over and above the district based program. Currently in Bellflower Unified, chapter 1 personnel are providing these supplementary services to 1,054 eligible students. We have five elementary schools, one high school and one sectarian nonpublic school receiving chapter 1 services. Now, this figure represents an increase over 1984-85 of 23 students, even though we did have a $38,000 cut in chapter 1 allocation from last year to this year.

If there are even more drastic cuts in chapter 1 funding, we have some key strategies that we would use, some of which would be reducing chapter 1 personnel, instructional staff including teachers and teacher aides; we might have to lower the eligibility criteria to serve fewer students; we might have to serve fewer schools, using the rank order based on the AFDC counts. Another key strategy might be to reduce the hours of the teacher aides even further. We've already gone from 6 hours down to 3 hours per day. And a further reduction in purchase of instructional materials and equipment to provide these supplementary services to the educationally deprived youths.

Bellflower Unified currently, we feel, is pushing the limits in trying to provide a quality, undiluted program for its educationally disadvantaged youth in both public and nonpublic schools. Further drastic cuts would seriously hamper our thrust to reach out to these educationally deprived youngsters and provide them with an opportunity to acquire competency in the basic skills.

In our chapter 2 program——

Chairman HAWKINS. Could I ask you to suspend for just 1 minute to see whether or not the voice is carrying in the rear of the room.

Dr. CURTISS. Sure.

Chairman HAWKINS. Turn it up.

Dr. CURTISS. How do I do that?

Chairman HAWKINS. Pull the microphone closer to your face.

Dr. CURTISS. How's that? Is that better?

Chairman HAWKINS. I think that is. Thank you very much.

Dr. CURTISS. OK. In our chapter 2 program, which is the program goal that coordinates those 29 different federally funded programs, which were funded under ESEA in 1965. Currently Bellflower Unified has 10 public schools and 4 nonprofit schools, private schools, participating in that program. Now, the purposes that we use that Federal entitlement for, is mainly for school library resources, the acquisition and utilization of those, instructional equipment, instructional materials, also staff development and program development for the educationally deprived, the gifted and talented and language minority students. The entitlement that the district received of approximately $64,000, was distributed amongst the participating schools on a per pupil basis, which amounted to only $5.50 per student. Again, if there were further cuts, Federal cuts, then that per pupil limit would go down and it again would limit the school's ability to provide these supplementary materials which could be purchased in no other way without encroaching on general fund money.

Mr. DYMALLY. When you talked about schools in this chapter 2, you're talking about the private schools also.

Dr. CURTISS. As well, yes. And in chapter 1 we also have one private school, a sectarian nonpublic school participating.

Going on to the third program, which is the Carl Perkins Act, Vocational Education. Over the past several years Federal funding has continued to decline for vocational education, as you're aware. Funding available to Bellflower Unified School District was cut in half from the 1984-85 level to the 1985-86. It now appears that these funds will be cut in half again for fiscal year 1986-87. There is a point at which funding, be it seed money or full allocation ceases to be worth the time and effort required to just comply with the paperwork needed to obtain and retain these funds. Bellflower Unified School District will reach that point next year. It's time to ask, "Does the Government of this country wish to eliminate vocational education as we have known it these past years." If so, let's do it rapidly and not prolong the agony.

The Bellflower Unified School District's current condition is not untypical of many other small districts of 10,000 ADA or less. We continue those programs in which tenured teachers are on our staff. When they leave a replacement is not obtained and the program is discontinued. The equipment, often now obsolete by that time, is disposed of. This process will continue until some very innovative and creative plan is developed to provide training to that large nonuniversity bound population that's now in our schools. Whether regional vocational high schools or expanded ROP programs is the answer is unknown and will probably remain an unknown until some national crises requiring the production of sound, well-operated vocational education programs occur.

What is known, is that ever increasing segments of our school population are not receiving the full service that was once promised, and once believed so necessary. We submit that this is not a problem of just the schools any more than just the Government. This is a problem for all of us, the Government, schools, businesses, parents, children, all of us. What do we want for vocational education?

Bellflower Unified School District is proud to be one of the original districts in the State's work ability project. This program for the handicapped youth has done more with far less money for this national priority group than any other program around. We ask the Government to not applaud the program, as they have by national award, but seriously consider it as a model, a mode of operation for the future.

Bellflower Unified School District does wish to thank you for listening to its position and its feelings. As long as there are those who listen, there does remain a sense of hope. Thank you.

Chairman HAWKINS. Well, thank you, Dr. Curtiss. Let's go one step beyond the point that you indicated about the loss of personnel.

Dr. CURTISS. Yes.

Chairman HAWKINS. Would the loss of these personnel in any way effect the quality of the program? Would there be more dropouts, more individuals who would be repeating grades, would the test scores be affected, et cetera?

Dr. CURTISS. Research shows, and our teachers tell us and you, who are educators know, that the 1-to-1 contact, the more that we can reach out to personally touch a youth, you know, does have effect. Yes, I do believe that it would contribute to more dropouts, to a lack of personal interaction with our youngsters. The more people we have to be with the kids, the more contact we do have.

Chairman HAWKINS. Thank you. Mr. Dymally.

Mr. DYMALLY. One question. Tell me in what way has the State funding, if any, alleviate the problem you've been experiencing as a result of these Federal cuts?

Dr. CURTISS. The State funding.

Mr. DYMALLY. Yes.

Dr. CURTISS. In——

Mr. DYMALLY. From the legislature.

Dr. CURTISS. In the categorical problem.

Mr. DYMALLY. Yes.

Dr. CURTISS. We do not use State comp ed for chapter 1. We use all of our EIA money for our language minority students because we have the 23 languages. Therefore, as far as the educationally disadvantaged youth, there hasn't been much assistance in Bellflower Unified for that particular program. We do rely entirely on our chapter 1 funds to service those students who are educationally deprived.

Mr. DYMALLY. Thank you very much.

Chairman HAWKINS. Thank you, Dr. Curtiss. The Chair will certainly give you a certificate for having completed your first formal hearing before a committee. You passed your grade and we commend you.

Dr. CURTISS. Thank you. I do appreciate that.

Chairman HAWKINS. The next witness is Dr. McKinley M. Nash, the superintendent, Centinela Valley Union High School. Dr. Nash, we welcome you.

STATEMENT OF DR. McKINLEY M. NASH, SUPERINTENDENT, CENTINELA VALLEY UNION HIGH SCHOOL

Dr. NASH. Thank you. Congressmen Hawkins and Dymally, we're pleased to be here to express our concerns over this grave issue. It might be well for us to locate ourselves, because the Centinela Valley is a rather large area, and it's fairly ill defined by maps. The general area that our school system consists of is south of the LAX Airport, the unincorporated area of Lennox, the city of Hawthorne, and the city of Lawndale.

We have a student population that is 67 percent ethnic minority. And we wish to delineate between ethnic minorities and disadvantaged. Our students are poor, but not disadvantaged. We think they are advantaged with a lot to offer, and we think the 37 percent Hispanic students, 17 percent black students, 9 percent Asian students, and 33 percent non-Hispanic whites, compose the very exciting, vigorous student body that will make a contribution to this country for years to come. However, in order for those contributions to be realized, we must be able to do what our Founding Fathers expected us to do when they founded public schools in this country: To have them open to all, regardless of their place or posi-

tion in society. Many of our youngsters have low socio-economic standards in society, but great potentials.

The State superintendent has a member of his staff, a very capable member, and we're talking about the California impact, therefore I wish to address the impact upon Centinela Valley with less than 7,000 students, all high school students, grades 9 to 12. In the State of California, you have what is called Union High School Districts. We're unique. There are a 107 such organizations in the State. We have been frozen between the Unified School Districts and we receive less money because of the frozen formula. So, we suffer from within the State and, to add to our misery, we have particular kinds of programs to carry on that are being proposed for cuts in the Gramm-Rudman-Hollings et al. legislation.

I want to address vocational education. Vocational education is of crucial importance to us because in this valley is born a series—that's what I'm addressing—a series of aerospace industries. Northrop is home-based in Hawthorne, Rockwell International is within our community, the aerospace center is within our community, TRW is within our community, McDonnell Douglas is within our community, and they have manpower needs. And toward that end, the Southern California Aerospace Industrial Education Council, headed by the mayor of the city of Lawndale, Sarann Kruse, has made a statement in my presentation.

What the statement says, in essence, is that the surrounding high school districts are not able to provide the technical manpower needed in our defense-related industries, and we're forced to recruit across the Nation and outside the country. At the same time when we cannot keep pace, as ill funded as we are now, the proposed legislation is going to cut out our electronics programs, reduce the optic programs we've never had. Well, the answer about local participation, the Southern California Aerospace Industrial Council, are contributing. In fact, if they had not contributed this year, Centinela Valley would not have received one penny for vocational education. The vocational allocation in the State of California went on a proposal basis, and we were into some very innovative programs that did not meet the traditional modes of vocational education.

You'll forgive my voice tone. I hope you can hear me.

Chairman HAWKINS. Yes, sir.

Dr. NASH. I do have a few problems this morning. The other concern I bring to you. I am chairman of the Youth Committee on the Southbay Private Industry Council, representing the cities of El Segundo, Hawthorne, Lennox, Gardena, Inglewood, and Redondo Beach. It is my belief that the Private Industry Council and all of its good intents, and the job training program and the summer programs will never meet the manpower needs through remediation. What we are doing is trying to treat the pool of unemployed, underemployed, and undereducated through a remedial vocation program at the adult level without stipends. What ought to be going on is that moneys ought to be funneled—those moneys ought to be funneled into preventative programs, to stop the flow of underemployed and unemployed, emotionally damaged people into the labor force that is rapidly changing.

So, when you talk about cuts for the private industry, you talk about cuts for vocational education, you talk about subsidizing the immigrants program, you talk about reducing nutrition, you talk about defiling the intent of our Founding Fathers, because you certainly cannot provide an education for all, regardless of their place in society, with such ominous cuts.

I'm told again and again about the history of this country, which I happen to be a student of. When the immigrants came from Europe, there was the Hull Houses in Chicago, the halfway houses in the city of New York. There was a great New York City Community College in that work. There were all kind of agencies to help. Now, the Ellis Island of this country is in my district. We have the highest, second highest number of immigrants, only next to Lennox our—school, in this country. And the mission of bringing people in and help them to move up in America seems to be changing. The commitments seem to be changing as the immigrant, color tone, and origin from which the immigrate has begun to change. No; I don't believe the immigrants from Europe in the 1960's pulled up on their own bootstraps. I believe we had a vocational education act started, called the Smith-Hughes Act. I think those of you who study, the historians of this country will reveal that such organization existed.

When you talk about cutting the Immigrant Act, the vocational programs as meagerly funded as they are now, the Private Industry Council, the Special Ed Work Ability Program, which is a drop in the bucket, you talk about undersubsidizing industrial incentives to take poor people in and unskilled people, displaced people on the labor force, female heads of household, teenage mothers, I question whether there's much I can say then other than this is some kind of awesome nightmare.

[The prepared statement of Dr. McKinley Nash follows:]

PREPARED STATEMENT OF DR. MCKINLEY NASH

I am McKinley Nash, Superintendent of the Centinela Valley Union High School District. The district is located close to Los Angeles International Airport and includes the cities of Hawthorne and Lawndale, and the Los Angeles County unincorporated community of Lennox. Our district is responsible for educating over 5900 students in two comprehensive high schools, and one continuation high school. We also have an extensive adult education program.

Centinela Valley is a multi-ethnic, multi-cultural district. Attachment A is the 1985-86 student profile taken from the California Basic Education Data Systems (CBEDS) report. It shows our district to have a 67% ethnic minority population composed of 37% Hispanics, 17% Blacks, 9% Asians, almost 33% non-Hispanic Whites, and the remaining 4% composed of American Indian, Alaskan Natives, Filipinos, or Pacific Islanders.

I welcome this opportunity to address the Committee on the impact of the President's 1987 Budget proposals relating to education, and thank Congressman Hawkins and the Subcommittee on Elementary, Secondary, and Vocational Education for the invitation.

OVERVIEW

For the seventh consecutive budget proposal, the President's FY Budget calls for large cuts in funding for Federal education programs. Overall it calls for a 17.5% reduction from the FY 1986 appropriated level (pre Gramm-Rudman), or $3.2 billion.

This translates into a reduction of $735 million for elementary and secondary programs. These reductions include the FY 1986 Gramm-Rudman cuts, the President's proposed FY 1986 rescissions, and the proposed FY 1987 cuts. This will terminate

ten programs completely and bring about major reductions in vocational education, impact aid, and the handicapped programs.

A Congressional Research Service report, #1B86032, of 2/14/86, stated that Federal Funds for these programs increased from $14.5 billion in FY 80 to $17.8 billion in FY 86, a 23% increase. However, in real terms the funds for ED programs decreased by 16% when you take into account the rate of inflation. The CRS report went on to say, "After adjusting for inflation, the FY 1987 Budget request represents a decrease of nearly 18% below the pre-sequestration funding level for FY 86 and a 31% decrease from the FY 80 appropriation."

In other Federal agencies severe reductions are proposed for child nutrition and special milk programs. Other cuts that will affect elementary and secondary education are found in the Job Training Partnership Act, tne refugee education program, Head Start and other programs.

Bluntly stated, "the Budget is not fair!" I can understand the desire for a balanced budget, but I cannot understand decreases in education and domestic programs when military defense programs would receive an additional 8% above an inflationary increase of 4%.

Table A outlines the proposed FY 86 rescissions and the FY 87 budget for Federal programs affecting elementary and secondary education programs.

IMPACT ON THE CENTINELA VALLEY AND OTHER SMALL DISTRICTS

I call your attention to Table B which provides the estimated funding reductions by program for California. (Incidentally, I am indebted to State Superintendent of Public Instruction Bill Honig and his staff which provided the data for these attachments, and to Bill himself for some of the data I have cited.)

Overall the cumulative effect of reductions under Gramm-Rudman, the President's proposed FY 86 recissions, and the FY 87 Budget in the programs described in Attachment B is an estimated total decrease of $152 million in California, as compared to FY 86.

I have not had time for my finance director to cost out the proportionate effect it will have on our district, but there is no doubt that it will be a blow to our education programs.

Programs that are critical for students in districts such as ours that provide meals for those that are needy, that allow handicapped students to participate in regular classrooms, and that provide vocational learning experience will be severely affected.

In relation to vocational education, a much needed program for our students to prepare them for entry level positions in the job market, our district received a reduction in funds this year. This severely limited what we were able to offer those that were most in need for such training.

At this point I would like to quote the Executive Director of Southern California Aerospace Industry/Education Council and the Mayor of Lawndale, Sarann Kruse who has been a great supporter of our education programs.

The United States faces a massive shortage of skilled technicians for manufacturing. Currently manufacturers are recruiting from one another which raises labor costs and therefore the price of the product. Many companies are recruiting from out-of-state and even from out-of country. The needs of the aerospace and other high technology industries are just one example of our nation's critical need for skilled personnel.

Yet obtaining skilled personnel will be a difficult task for our nation. A recent study by the National Commission on Secondary Education entitled "The Unfinished Agenda" concluded that the current emphasis on academic education is resulting in a negative impact on vocational education. Recent criticism of our secondary schools has documented growing deficiencies in the academics preparation of students. The response to this criticism by many states has been to increase the number of academic courses required for high school graduation. The assumption being that more academics is the best preparation for life.

The assumption is wrong on two counts, First, it ignores the needs of those high schools community college students who do not intend to obtain a four year degree, and second it ignores the value of a balanced education which includes both theoretical and applied curricula. We in the aerospace industry agree that as strong foundation in academics is extremely important, but not at the expense of vocational education.

Industry has not sat idly by, expecting government, at all levels, to resolve the problem. Industry has formed many partnerships with education to help resolve these problems of lack of adequate vocational education.

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One successful partnership is the Southern California Aerospace Industry Educational Council. This council was established two years ago specifically to develop appropriate curricula, provide necessary resources, transfer technology and develop joint marketing strategies.

A curriculum guideline was developed with the assistance of State funding and is designed to be hierarchial and articulated among the high schools, community colleges, and degree granting colleges and universities. Thus students may move sequentially from high school occupational programs to advanced occupational programs at the community college level, leading directly to technical level employment. Carefully written transfer courses will enable the manufacturing technologists to enhance employment upgrade opportunity by taking additional course work at the degree granting colleges and universities.

What is required today are programs and experiences that bridge the gap between the so-called academic and vocational courses. With the assistance of the industry-education partnerships, more attention is being paid to the problem of lack of vocational education.

The Southern California Aerospace Education Industry Council has had two significant accomplishments this year: (1) The development of the curriculum guideline for manufacturing technologist and (2) the retraining of instructors through a state internship program.

The role of vocational education can no longer be just the creation of service jobs, it has to take a primary role in the recycling of the American workforce . . . not solely to provide job skills, but to help keep America in the international marketplace. Manufacturing industry will continue to need production people. The workforce is changing in a rush of new technology and increased automation and will continue to do so beyond the 1980's. Foreign competition will require most industries to concentrate on high quality and high productivity and a more competent workforce will be critical. The successful worker of tomorrow must have flexibility. Vocational education has a prominent role in developing this workforce.

I am sure that these statements need no further explanation.

Hundreds of our students have benefited from the Refugee and Entrant Assistance Program. However, it will be eliminated by rescission in FY 86 and by zero funding for FY 87.

Child nutrition programs experienced a severe budget cut in 1981, twelve times greater that its proportionate share of the Federal Budget. The President's Budget proposes a cut of $47.6 million in FY 87. Over a million youngsters would be eliminated in the state from the free and reduced price category under the National School Lunch Program and the Child Care Food Program. A district such as Centinela Valley would suffer disproportionately because of our relatively large number taking advantage of such programs. Again, I do not think it is fair to reduce the federal deficit by asking poor students to bear a disproportionate share of such an unjust burden.

CONCLUSION

The Centinela Valley Union High School District must provide the best education possible for our young people. We are training citizens to take their place in a society that needs them if it is to remain competitive in the world as we know it today. A well educated citizenry is the best defense for our nation. We must provide them with equal opportunities to compete with their counterparts both at home and abroad.

We in California have been undertaking a successful program to improve our education standards and bring about much needed reforms in education. My own district has already felt the effects of the program. The test scores have improved; Mentor Teachers have been selected to upgrade their subject areas and have provided needed assistance to other classroom teachers; incentives have been awarded to one of our schools that demonstrated test improvement.

My point is that the state and local have been doing their part in providing resources and leadership to accomplish education reform. This is as it should be. Historically, both the state and local governments have provided the money and materials for education. The Federal government has provided minimal resources to assist us in providing equal educational opportunity for all students. Now is the time for it to pull out this much needed support.

Demographers predict that enrollment will be increasing as we head into the nineties. We are already seeing this happen. We need more aid, not less aid. These programs must remain in place for those in need today, and those in need that will follow them.

I have faith in the fairness of the Congress. I am sure that my words only support the knowledge that you and your colleagues already have. It is my appeal today that you will not abandon the schools as we face a critical time when reform is taking place, enrollment is on the increase, and we are being faced with shortages of facilities and trained teachers.

Thank you for your consideration.

CENTINELA VALLEY UNION HIGH SCHOOL DISTRICT, STUDENT PROFILE, 1985–86

	District		Hawthorne		Leuzinger		Lloyde	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
A American Indian or Alaskan Native	33	.5	8	.3	20	.7	5	1.4
B Asian	537	9.0	177	6.1	353	13.0	7	2.0
C Pacific Islander	94	1.6	32	1.1	42	1.5	20	5.7
D Filipino	105	1.8	35	1.2	70	2.6	0	0
E Hispanic	2,211	37.1	1,278	44.2	813	30.0	120	34.2
F Black—not of Hispanic origin	1,017	17.1	370	12.8	596	22.0	51	14.5
G White—not of Hispanic origin	1,959	32.9	990	34.3	821	30.2	148	42.1
Total (A–F)	3,997	67.1	1,900	65.7	1,894	69.8	203	57.8
Total enrollment	5,956	100	2,890	100	2,715	100	351	100.

CENTINEL AVALLEY UNION HIGH SCHOOL DISTRICT, STUDENT PROFILE, 1985–86

Grade	Male				Female			
	9	10	11	12	9	10	11	12
A American Indian or Alaskan Native	7	4	1	2	10	7	0	2
B Asian	127	82	56	54	71	61	37	49
C Pacific Islander	27	14	10	0	20	12	9	2
D Filipino	36	17	7	8	10	14	7	6
E Hispanic	400	308	210	147	483	312	207	144
F Black—not of Hispanic origin	220	141	86	89	172	137	103	69
G White—not of Hispanic origin	345	274	209	176	325	245	231	154
Total (A–F)	817	566	370	300	766	543	363	272
Total by grade	1,162	840	579	476	1,091	788	594	426

Total male ethnic minority—2,053, total male students—3,057, total female ethnic minority—1,944, total female students—2,899.

CENTINELA VALLEY UNION HIGH SCHOOL DISTRICT, STUDENT ENROLLMENT AND ETHNIC SURVEY, 1981–85

Year	Total enrollment		Ethnic minority enrollment	Percent of ethnic enrollment	American Indian		Asian		Pacific Islander		Filipino		Hispanic		Black		White	
	Number	Status			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1981	6,224		3,862	62.1	62	1.0	502	8.1	(1)	(1)	95	1.5	2,198	35.3	1,005	16.2	2,362	37.9
1982	6,024	(−200)	3,711	61.6	46	1.0	486	8.1	(1)	(1)	93	.2	2,115	35.1	971	15.4	2,313	38.4
1983	5,936	(−88)	3,821	64.4	52	1.0	491	8.2	(1)	(1)	121	2.0	2,132	35.9	1,025	17.3	2,115	35.6
1984	5,877	(−59)	3,907	66.5	32	.5	544	9.3	(1)	(1)	59	1.0	2,240	38.1	1,032	17.6	1,970	33.5
1985	5,956	(+79)	3,997	67.1	33	.5	537	9.0	94	1.6	105	1.8	2,211	37.1	1,017	17.1	1,959	32.9

[1] These numbers were included in the Asian category.

Chairman HAWKINS. I yield to Mr. Dymally.

Mr. DYMALLY. Yes. Thank you very much, Mr. Chairman.

Dr. Nash, you've mentioned that last year you did not receive any vocational education funds from the State.

Dr. NASH. They were on a proposal basis.

Mr. DYMALLY. Yes. Did you receive any direct funds from the Feds?

Dr. NASH. The State does. We opted to go into some innovative programs that did not follow the new guidelines. We could have gotten some of the same old tired vocational programs funded. We opted to not propose that way.

Mr. DYMALLY. I suspect, given the nature of your aerospace district, you wanted to be very pragmatic and relevant to the needs of that district rather than the traditional approach to vocational education?

Dr. NASH. Yes. We've gone into a computer aid graphics program with El Camino College and one of the aerospace industries. That was not—that was funded for us, as an innovative program. So, we're well funded in that way. We're involving one of our aerospace companies in a partnership for quality circles that improve our teaching staff and decisionmaking. So, we did not go the judicial route. We are proposed within our existing programs. I'm not saying that the State has treated us deferentially at all.

Mr. DYMALLY. You have seen in effect that if we're going to make, especially in the Southbay area, vocational education relevant, you're going to have to be innovative to cope with the change and nature of the aerospace industry?

Dr. NASH. That's correct.

Mr. DYMALLY. Thank you, Mr. Chairman.

Chairman HAWKINS. Dr. Nash, are you receiving any assistance at all from any of the aerospace companies——

Dr. NASH. We are.

Chairman HAWKINS [continuing]. Located in your area?

Dr. NASH. We are. We have a partnership with TRW, in fact TRW sponsored at our urging a training session for all the schools in the Southbay, the Southbay being from San Pedro up to Culver City, and helped—a training program to assist aerospace industries in providing partnerships to schools. They, at the end of that program, they awarded us $1,500 apiece to start partnerships. Northrop Industries is sponsoring 100 percent, a quality circle training program to improve productivity for classified employees and for certificated employees in our school district. We have another partnership pending with a major toymaker, to look at ways of drug education and drug treatment. I am not able to give you the name of that company at this time because of negotiations. Another aerospace industry has entered into a partnership with us and the city of Hawthorne to deal with truancy and truancy abatement.

Chairman HAWKINS. Do you think these companies would make up the difference if the Federal funds were reduced?

Dr. NASH. No; nor do I think it's their mission. I think they have a responsibility to share with us the technology they have. I think they have a responsibility to share with us any inservice training that they have. I think public education is the responsibility of the Nation and the State. And those companies have moneymaking

concerns. As ennobling as they are, I don't think they belong in our business to the point of subsidizing it. I think any training that is plant or industry specific, they should pay for it. Any training that is general and transferable to the society, the Federal and State government and local government should pay for it.

Chairman HAWKINS. Well, thank you very much for you testimony and for your answers to our questions. We appreciate it.

Dr. NASH. Thank you.

Chairman HAWKINS. The next witness is Dr. Ted Kimbrough, superintendent of public instruction of the Compton Unified School District. Dr. Kimbrough, we welcome you, both as a witness and as a friend before the committee. We've watched your experience and your great expertise in the field of education and we certainly want to express a personal commendation of the manner in which you've operated in the field of education and particularly for the Compton Unified School District.

STATEMENT OF DR. TED D. KIMBROUGH, SUPERINTENDENT OF PUBLIC INSTRUCTION, COMPTON UNIFIED SCHOOL DISTRICT

Dr. KIMBROUGH. Thank you, Mr. Chairman, and Mr. Dymally. It's really a pleasure to be here on a subject that has far-reaching effects for the people of this Nation, and specifically for the citizens of the Compton School District and their children.

Just to put some parameters on the definition of the Compton School District, we are a school district that you may or may not be aware that our school district is a school district of 29,198. Some might say that this is not a small school district; however, it will depend upon your viewpoint. In the State of California we are one of the largest school districts, but it's one which has similar problems to school districts that are in the category of being listed as small school districts.

I think it's important for the committee to know that of that 29,000 students, 20,590 of them receive services from compensatory education.

Chairman HAWKINS. Would you repeat that please?

Dr. KIMBROUGH. Yes, I will. We have 29,198 students in our school system and of that 29,000 we have 20,590 of them that receive compensatory education assistance in some form. So, when you begin to look at the potential effect upon a student body in a city, you're looking at almost 70 to 80 percent of the people within a given educational institution being affected. I think that that puts it into some kind of a framework so that you can relate to what I'm about to say.

For many years we've talked about reforming public education, and in that effort to do so, we've had the privilege of getting all the facts from "A Nation at Risk," which is a document that hit this country and spoke of it in terms of this Nation being in a war-like event, and that the country would reflect and respond to any foreign power if such an attack was being made on the people of this Nation in a very, very affirmative and aggressive way. That message has been carried out by States throughout this great country of ours by trying to reform education. And you have seen an increase in the test scores, both nationally as well as our State

scores, as a result of that. You have heard some of my colleagues early this morning indicate that they have done everything possible in order to begin to close the gap on what has been happening in education over a period of time.

Now, once you get this momentum going, you really look for additional incentives to keep it going in the direction that our Founding Fathers wanted this country to go, in a direction that our State and Federal Government have indicated is absolutely to the health of this Nation, but yet we are subject to a blow that begins to erode away the ability to continue to grow. One of the things that has been mentioned this morning is, is that we've received additional State aid in the SB813. I'd like to remind the committee that most of that was categorical and also within the context of extending the number of instructional minutes, which we had to pay teachers in order to extend their workday. So, when we speak in terms of adding additional funds, also we must also put it in the framework in which those funds were given to local school districts and it was not proportionate to what our needs are.

I had the distinct honor of going and chairing a committee, a crediting committee for the North Central States Associations of Colleges and Universities at Evanston Township High School. One of the startling things that I discovered was, is that here is a school district that spends $7,000 per unit of ADA for the education of children.

Mr. DYMALLY. What State?

Dr. KIMBROUGH. Illinois. Now, I must hasten to tell you that here in Compton, we spend $2,453 with all of the problems of urban education, in trying to educate our children, $2,453. In Beverly Hills they only spend $3,400, $3,400 and some change. I simply say, if we begin to do a comparison of how much commitment is being made to education and the problems of educating students we must look at the expenditure, because that does indicate commitment. At Evanston Township High School, they had 32 AP classes as accelerated programs. They had 40 honors classes, they had four libraries. They had a field house that we could put the Rams Stadium inside of it. They had technological laboratories. They didn't teach industrial arts, they taught technology. They were making robots. They had 10 physics and chemistry laboratories. They had study carrels of all kinds. They had 15 Ph.D.'s in the fields—that were teaching in the chemistry and the technical areas. Most of their staff had advanced degrees. So, when we begin to look at the kinds of commitments and the direction that we're moving, to suffer a blow that as has been represented in the Gramm-Rudman really erodes away of our ability to address the challenge that has been placed on us.

For your information, I think that you should know that we have 1,600 students in our community that fall in the immigrant category, who don't speak any English at all. We have another 6,822 students that are limited English speaking students, that come from homes where English is not spoken. And we begin to think in terms of what are we going to do about continuing the services that these young people are pursuing. They have educational goals. They have to make that transition. Four years ago we only had 22 percent Hispanic students in our school district. Today we have 35

percent in a mere 4-year period. That's tremendous growth. We had 26,000 students 4 years ago, we have almost 30,000 students today. So, we look at what's happening and the changing of our population. It's important to know that those services change as well.

When we look at chapter 2, for instance, I think that the counseling services that are being provided and the tutorial programs to help our youngsters who want to go on to college, to prepare them better so that they can become productive citizens is very key, but yet we see a proposal to cut that. We also look at the existing unemployment figures here in Compton. They're 33 percent—33 percent of the population in Compton is unemployed—but yet we look in terms of how are we going to train people to become employed and we see a cut in vocational education.

I think it's important for you to know that a reduction of 17 percent in the Federal Foods Program and 91 percent of the Milk Program has serious consequences as my colleagues have indicated to you, 20,731 of our students receive reduced and free lunches, an additional 1,491 students, that comes to approximately 77 percent of our students that are being subsidized in some kind of a meals program, be it lunch or breakfast. All 23 of our elementary schools have a breakfast program. So, we began to think in terms of affecting people where a tremendous—is a tremendous impact we began to cut.

Adult education is another area. We're going to lose $36,000 in adult education fees. Sure, that's only going to effect approximately 100 people, but when those 100 people cannot become productive, they become tax consumers instead of tax producers. We cannot go back, we must move ahead in attacking the problem. We think in terms of the feminization problem that we have in this country of trying to bring women into the mainstream of life, and into jobs that have the same kind of economic benefits as that of the males of this country. And the Carl Perkins Act really addressed that, as they tried to emphasize bringing them more and more into the mainstream of the productive life of this country. But, yet we wish to reduce that. We don't want to talk about taking 50 percent out of our Vocational Education Program in many, many categories, as well as mandating the high school diploma to be enrolled in Vocational Educational Programs. That's just like changing the NCAA rules. Well, we're going to keep people out instead of letting them come in. We must have an open door policy to bring people in and to help them become whatever they can become. I think that is an important concept and philosophy that we cannot lose.

Education, public education is the business of people. It is not the business of private industry. It is the business of people. We are responsible. The schools belong to the people. And who are the people? As you well know as representatives who are elected, the people are those who put us in office and we must serve.

I'd like to cut my comments short at this time. I have made a prepared statement. I think it's important for me to, however, indicate to you that as we look at some of the new studies that are coming out, they're very frightening. I think Bill Moyer's study at his presentation of the "American Black Family" is very, very telling. It clearly defined a permanent underclass. A permanent un-

derclass is like a cancer that is growing and growing at frightening dimensions in this Nation. Whether we like it or not, public education is probably the cure that will make the most substantial impact on what's happening to that permanent underclass. I don't think we in America can afford that. I think we are being invaded, and I think we must take all of our resources and fight this great war and return to supporting those things that make this Nation what it has become.

Thank you, Mr. Congressman.

[The prepared statement of Dr. Ted D. Kimbrough follows:]

PREPARED STATEMENT OF DR. TED D. KIMBROUGH

The effects of the Gramm-Rudman-Hollings legislation has cast a dark shadow over the Compton Unified School District. As a district with an enrollment of 29,198 students, of which 20,590 are receiving the service of Compensatory Education Assistance, we stand to suffer a devastating blow to student growth. We are not presently servicing all eligible Compensatory Education students, and yet we stand to literally cut even more students from the program and reduce services to others. This over and above assistance to students has resulted in a marked increase in our test scores. Students in the Compensatory Education Programs that are now showing some steady growth as a result of these programs will lose services crucial to their advancement.

The research document, "A Nation at Risk," clearly pointed to a severe need for reform in American Education. The National Education Reform Movement took a stand to correct the problems stated in this document; the State followed suit with SB813 mandates; and our district has begun to overhaul its curriculum to meet the new Model Curriculum Standards of the State. The gap was closing, but suddenly a blow is dealt. Now Compton's thrust to mold our students to function in a society that demands exposure to more academics would be diminished.

Chapter 1 cuts will eliminate vital personnel services, resource teachers, instructional aides, and computer assisted lab teachers. Some of these personnel who serve the 20,990 identified students would not continue to provide services that have been critical to our students.

Compton has an immigrant count of over 1,600 students with less than three years of schooling in this country. The district has 9,827 students coming from homes where English is not even spoken, and 6,822 of this figure are (LEP) limited English proficient. This legislation would drastically reduce the services presently being rendered and would place the responsibility of educating these students back on the shoulders of the local district. This means an encroachment on the district's general funds that are already over taxed. Compton presently uses 100% of its immigrant funds to train and prepare teachers, to hire, and train aides, and to purchase materials necessary to better service this large population of Compton's immigrant students.

Given the demographics in our district (a change from 22% to 35% in less than 4 years) there is greater need for immigrant funds rather than a reduction.

Further cuts in Chapter 2 funds would cause severe cuts in counseling services being provided to students who need the extra counseling and tutorial programs to qualify for the more rigorous college entrance requirements. Computer literacy and computer assisted instruction would be severely curtailed. How can Compton students be expected to function in a competitive society without such programs . . . !

Chapter 2 funds in Compton are being used across the district to prepare our students to function in the technological society. This reduction would add to the existing 33% or higher unemployment rate in Compton. This modern technological society is calling for qualified trained students, and the Compton community looks to the district for educating our students to compete for jobs. Such a cutback would be devastating indeed and would lead to higher levels of despair for the community. It's obvious that those supporting such legislation are not aware of the detrimental effects on the community of Compton.

As I review additional information about reduction being considered, I note the reduction of 17% in Federal Food Programs and 91% in Milk Programs. Again, this has serious consequences for our children.

In Compton, we presently serve free meals daily to 20,731 of our students and we serve reduced priced meals to an additional 1,491 students. This means that 77% of our students are served through the food program. Ninety-four percent (94%) of our

elementary children presently qualify for free and reduced priced meals, and there is an even greater nutritional need demonstrated in our younger population: Ninety-eight (98%) of our Pre-school population qualify for nutritional supplement. Obviously, this level of hunger and nutritional deficiency is not understood by those who support such drastic actions of a cutback in the Food Program.

Compton's Adult Education Program stands to be affected also. Our Basic Education Program for Adults services 500 adult students a week; the Adult Vocational Education Program serves 100 students per week; and the Job Training Partnership Act also serves 100 students per week. Total Adult Education reduction of $36,000 would mean a reduction of services for approximately 20 to 30 adult students annually. Although it may not seem to be a large reduction, the message sent out to parents and adults of the Compton Community would be traumatic.

The proposed cuts will block access for the poor and make vocational training out of date by stifling efforts to improve or expand programs.

One of the major reasons for the Carl Perkins Act was to turn around the feminization of poverty, to bring women off welfare and into training programs. This effort would be weakened, given these suggested cuts. Other programs that help adults either retrain, upgrade skills, or learn basic skills would be ended under the proposed cuts. If the Federal government withdraws its support, then we add to Compton's already existing society of unemployed mothers.

The President's proposed 50% cutback in the Vocational Education budget sends a dangerous message to school districts like Compton. It says that Vocational Education is unimportant and that the doors to the development of skills and abilities for understanding the world of work are closed to them.

The elimination of a provision that allows students without high school diplomas to enroll in Voc. Ed. Programs if they can show that they have the "ability to benefit" from these programs is absurd.

This proposed change would block high school dropouts from post-secondary Voc. Ed. training programs that Compton now offers. Without Voc. Ed. training, these dropouts would be more likely to either seek public assistance or turn to crime. And crime is already at an all time high.

Consumer and homemaker education is also slated for elimination. The home is the basis for successful participation in the work force. The ability to consume wisely and raise children is critical to the success of Compton's workforce and the fiber of our country. We need Federal support for those programs, not cutbacks!

The proposed cuts are educationally and economically unsound. They will shut the door on progress. They represent an elitist attitude that implies academic preparation is the only course that should be considered by young people today.

Compton presently stands in need of more Federal assistance for its students, and to send out a message of such a magnitude to an already low socio-economic community is to ignore their needs and their dreams for a better life for their children. I am sure that our Federal Government does not wish to add to the problems of an already identified "permanent underclass" in America. Historically we have been a nation that solves the problems of its people. Now is not the time to change our tradition.

As superintendent of the Compton Unified School District, I strongly urge that you remember the community of Compton and all the Comptons of this country; save our children by not supporting the proposed cuts in the Gramm-Rudman-Hollings legislation.

Chairman HAWKINS. Well, thank you, Dr. Kimbrough. Mr. Dymally.

Mr. DYMALLY. Ted, how are you going to make up the loss of those Federal funds which will affect 100 young people in your district?

Dr. KIMBROUGH. Well, basically the impact of the decrease of funds make you make the decision as to whether or not you're going to reprioritize how you're spending your current money, which gets into this whole question of encroachment. There are many programs that are mandated, and they traditionally have been underfunded, so what happens is that you have to go to the general fund and subsidize mandated kinds of programs. As you know vocational education is a mandated program in the Califor-

nia Education Code. And we're going to have to go into this business on a greater basis of subsidizing from the general fund.

Now, what does that mean? That means that other programs are going to have to be cut. And when you cut other programs, I think everybody in this room can tell you almost 80 percent of the dollars are spent on supporting salaries of the people who deliver the services to us. And we get into a far-reaching problem of how do we continue to negotiate, how do we continue to stay up with the cost of living? And it means laying people off. It means cutting aids and support units. It means putting more pressure on the teachers. It means getting closer and closer to 30 to 1 in a classroom. And we all know that that is impossible, particularly in urban areas where the problems are very complicated. That's what it means. It has a far reaching effect and you end up getting into the bigger, bigger area of encroachment on the general funds.

Mr. DYMALLY. In terms of Southbay standards, Compton is an old school district. What are you doing about your old buildings, heating and air-conditioning and painting and roofing?

Dr. KIMBROUGH. Compton is a school district that's been neglected probably for the last 15 years. Unfortunately we haven't had the wherewithal to do all of the maintenance that needs to be done. I went on a self-inspection tour at Roosevelt Elementary School, as an example. I got up on the roof and began to walk around to look at the roofs. I fell through the roof three times, literally fell through. We also discovered that the buildings, the interior of the buildings had no integrity. One building was simply standing there and almost collapsed on classroom children. We don't have the funds. We hope that this new bill that's coming up in the California Legislature will provide us with some additional rehab money. We desperately need that. Almost all the heating units in our 41 locations are gone. Our boilers are gone. Our windows are broken. The integrity of our buildings are going down. You and I would not treat our homes like that, and when you talk about investment of public dollars we're not taking care of them. There aren't the funds to do so. So, what do you do? You do emergency kinds of things. You're a crises management. You do those things that are obviously a safety hazard. The environment of our classrooms leaves a lot to be desired, and it doesn't help with good education.

Mr. DYMALLY. Thank you, Mr. Chairman.

Chairman HAWKINS. Thank you, Dr. Kimbrough.

We'll now hear from the State of California. Will the witness identify herself, please?

STATEMENT OF GAIL ImOBERSTEG, DIRECTOR OF FEDERAL LIAISON OFFICE, CALIFORNIA STATE DEPARTMENT OF EDUCATION

Ms. IMOBERSTEG. My name is ImObersteg. I'm the director of the Federal liaison office, for the State department of education. I'm representing Bill Honig, superintendent of public instruction for the department. He sends his regrets that he cannot be here today.

Mr. DYMALLY. Before you proceed, let me tell you that Dr. Honig was in Washington the week of our adjournment, and met with the California delegation, including two Senators and made a very

forceful and impressive presentation about some of the problems we face in California.

Ms. IMOBERSTEG. Thank you. Before I commence, I would like to express our appreciation to you, Congressman Hawkins and also—excuse me, I'm looking at your sign—Congressman Dymally, and also to Chairman Hawkins for your unwavering support during the budget and appropriations process each year. And also for your consistent leadership in authorizations such as child nutrition and the university and school partnership.

Mr. DYMALLY. Thank you.

Ms. IMOBERSTEG. Our department along with over a thousand school districts educate 4½ million children. Of those districts, 800 of those districts have less than 4,000 children. Of 1,000 children there are 530 school districts. So, it's very appropriate that you have this field hearing addressing the issue of small districts, because I do agree that those districts' needs are generally not addressed in hearings.

I'd like to just give you a little bit of an overview of the written statement that was submitted into the record and then a comment about the impact specifically on the small districts.

A recent Congressional Research Service Report indicated that there was an increase from fiscal year 1980 of 23 percent of Federal funding for education. However, that figure is really misleading, because if you look at the real dollar, the expenditure noting the inflation, there really has been a 16-percent decrease of Federal funds for education. If you take a look at the President proposed fiscal year 1987 budget, once you adjust it for inflation, it shows an 18-percent decrease, post Gramm-Rudman fiscal year 1986, and a 31-percent decrease from fiscal year 1980.

This is particularly significant for districts, because they cannot continue to provide the current services without the adjustment for inflation. In stark contrast to that, however, the defense budget in the President's proposal would receive an 8-percent increase with a 4-percent increase on top of a 4-percent increase for inflation.

In education, we are very sympathetic to the need to balance the Federal budget, however, we are willing to do our fair share, but not take a disproportionate cut. I think taking a look at the actual impact on the school districts, I think is significant. The small districts are operating basically on, many on the fiscal edge on a year-to-year basis. And when I'm talking about small districts, I'll be addressing primarily 2,000 ADA and below. They're operating on the proverbial shoe string. They have very little in the way of reserves and the smallest of cuts impacts them and reduces services to children and reduces the number of personnel. In small districts the economic situation is exacerbated particularly because of the nature, the geographical nature, in many of those small districts. Many are located in rural areas, or mountainous areas. They have very high energy costs, very high transportation costs and they are spread very thin with regard to their money. They have very little flexibility because of those large overheads which cannot be avoided.

In looking at particular programs, in special education and also in chapter 1, those services are generally provided on a consortium basis because of the small size of the districts. The services are pro-

vided by the county level which has no independent source of funds for those indirect services, therefore if there's a reduction of funding for special education or chapter 1, that bad news is passed on back down to the small districts and the mandate to serve the children remains the responsibility of the district. In special education under the President's proposed fiscal year 1987 budget, there would be a cut of 6.4 percent statewide of funding. In chapter 1, although it appears to be level funded in the President's budget, it's important to note that there is a proposal in there for a change of authorizations, which would redefine migrant children, how long a migrant child could remain in the program, if they have not moved in a certain amount of time. That impact on California statewide would reduce our funding $19 million. So, even though on the service it is a level funding that's a significant decrease. Some of the small districts do provide services to their own chapter 1 students or special ed students if they are so geographically isolated that it would be unreasonable to provide the services through the county level.

In vocational education, some small districts will provide only several of the vocational education programs, but many like Modoc Joint United School District, attempt to provide all the vocational education programs and in an exemplary manner. Using that example, they have an ADA of 1,230 children providing all the vocational education programs and they have 7 schools spread over 3,000 square miles. They receive $10,000 in vocational education money and a decrease in that money is significant when your talking about the impediments of distance, et cetera. Some districts get as little as $3,000 for vocational education. You put a 4.3-reduction on that $3,000 and that is significant. The vocational education picture with regard to the President's budget would reduce it 52.5 percent.

And in California we estimate that now we serve approximately a little over 1 million children and we would lose services to over half of those children if the President's budget was adopted.

In chapter 2, chapter 2 is extremely important to us in California. It is the flexible program that allows us to implement our reforms in education. Although the President's budget did recommend a level funding of chapter 2, we were distressed to see in the Senate Budget Committee resolution, that was reported out there was a recommendation of $100 million to be cut from chapter 2. This funding is extremely important to both the large and the small districts. In child nutrition, statewide, we would show a reduction of 9.5 percent. We estimate about 2 million children would lose services if this was adopted. In the small districts it's particularly hurtful. You have the economy of scale, when you make more meals it costs less. In the small districts you don't have that advantage. You have some costly meals. In addition, generally there are more paying children in the small districts and if the President's proposal is adopted, it would eliminate that inference schedule for many of the small districts and perhaps cause them to back out of the program. In addition, it's important to note that the proposal of increased subsidy for commodities won't help. The increased commodities for small districts is particularly difficult because they don't have the type of storage that's required for the commodities,

so decreasing the subsidy for the reduced or free child in the Child Nutrition Program and increasing commodities would not help in the small districts.

Finally, I'd like to comment on some of the programs that we view as a result of the impact of Federal policies. There are programs like the immigrant, the Refugee Program, the President's proposal would eliminate all funding for those programs. In California we receive over 40 percent of all immigrants and refugees in the United States.

Mr. DYMALLY. What's that percentage?

Ms. IMOBERSTEG. Forty percent. We approximate in losing the $19 million we would lose services to approximately 112,500 children. In impact aid we approximate we would lose about 9 million in the State. In the forest reserve money, and I understand it is not in the jurisdiction of this committee, but I think it's important to note because it does impact on education, we would lose about 73 percent of the current income on forest reserves if the President's proposal to change the amount of money from the current gross to net receipts would be adopted. In a small area like the Tule Lake School District, they get $150,000 for education from those fundings. And those services would be lost. In those northern counties, particularly that have these forest receipts the feeling is that they would be doubly victimized, not only would they have the normal education cuts, but another source of funding that they had that's currently a result of the forest service lands located on their property and the impact on schools and roads, that money would be taken away.

I think in summary, I'd like to respond to one of the frequent questions that was asked, and also one of the statements that was made, I've heard from several parties at the national level, the State will take over. They'll fill that void that the Federal Government is going to leave. In California we have not only the normal spending restraints, but we also have an artificial constraint, the Gann limit. We have several estimates of how far away we are from that maximum spending limit that's imposed in California. It is a constitutional amendment, would require a ballot vote to eliminate the constitutional provision. Governor Deukmajian estimates we're $100 million away from that ceiling of spending. It's not a lot of money. The legislative analyst says we're $100 million over. So, even if we have the revenue to fill the void and we do not, because as was mentioned earlier, we are way behind other States in our spending per child. Even if we were able to, this artificial restraint would not allow us to fill that void. Therefore, I'd like to urge Congress to fund education at the pre Gramm-Rudman 1986 level, adjusted for inflation.

I appreciate the opportunity to testify before you today. Thank you.

[The prepared statement of Bill Honig follows:]

Prepared Statement of Bill Honig, Superintendent, California State Department of Education

INTRODUCTION

I am Bill Honig, Superintendent of Education, California State Department of Education (CSDE). Our Department, along with over 1,000 school districts is responsible for educating four and one-half million students in kindergarten through 12th grade. I thank the Committee on the Budget for the opportunity to submit written testimony on the impact of the President's FY 1987 Budget proposals for elementary and secondary education.

OVERVIEW

The President's FY 1987 Budget includes, for the seventh consecutive budget proposal, very large reductions in funding for Federal education programs.

Overall for the U.S. Department of Education, the FY 1987 Budget calls for a $3.2 billion, or 17.5% reduction from the FY 1986 appropriated level (pre Gramm-Rudman). For elementary and secondary programs, this translates into a reduction of $735 million, or 9.6% from the FY 1986 appropriated level. These reductions include the FY 1986 Gramm-Rudman cuts, the President's proposed FY 1986 rescissions, and the proposed FY 1987 cuts. Ten programs would be terminated entirely, while major reductions would occur in vocational education, impact aid, and the handicapped. Other programs would be held at their post Gramm-Rudman FY 1986 levels.

As a recent Congressional Research Service report indicates, "In the past, Congress has consistently provided more funds for ED programs than had been requested by the Administration. Total Federal funds for these programs increased from $14.5 billion in FY 80 to $17.8 billion in FY 86, an increase of nearly 23%. The rate of increase over these years, however, has not kept pace with the rate of inflation, so that in 'real' terms the funds for ED programs have decreased by 16% between these years. After adjusting for inflation, the FY 87 budget request represents a decrease of nearly 18% below the post-sequestration funding level for FY 86 and a 31% decrease from the FY 80 appropriation." [1]

In other Federal agencies, a $70.1 million FY 1986 rescission, and a $775 million FY 1987 reduction are proposed for child nutrition and special milk programs. Other proposed cuts or terminations affecting elementary and secondary education are found in forest reserve receipts, the Job Training Partnership Act, the schools and hospitals energy conservation program, the refugee education program and Head Start.

These reductions in education compare to similar decreases proposed for other domestic programs, while military defense programs would receive an additional 8% above a 4% inflationary increase. While we are sympathetic to the need to balance the federal budget, and are willing to do our share in helping the nation through this fiscal plight, the budget as proposed is not equitable.

Attachment A outlines in more detail the proposed FY 1986 rescissions and the FY 1987 budget for Federal programs affecting elementary and secondary education programs.

IMPACT ON CALIFORNIA

Overall, the cumulative effect of reductions under Gramm-Rudman, the President's proposed FY 1986 rescissions, and the FY 1987 Budget in the programs described in Attachment A is an estimated total decrease of $152 million in California, as compared to FY 1986.

Attachment B provides in detail the estimated funding reductions by program for California. The FY 1986 appropriated level is compared to the FY 1986 revised (post Gramm-Rudman and proposed rescissions) and the FY 1987 proposed levels.

Critical programs which provide meals for needy students, allow handicapped students to participate in regular classrooms, and provide vocational learning experiences for thousands of students will be severely affected. The estimated losses for California in 1987 in these programs would equal $7.1 million for Handicapped Education, a 6.4% loss; $37.2 million for Vocational Education, a 52.5% loss; $47.6 million for Child Nutrition programs, a 9.5% loss; and $9 million for impact aid.

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[1] CRS Report No. IB86032 Update, 2/14/86.

For the child nutrition programs, Attachment C provides a detailed analysis of the budget impact both in terms of funding levels and program. When comparing against the FY 1987 level projected under current law, the President's Budget proposal would result in a $47.6 million loss in FY 1987. Approximately 914,810 children would be eliminated from five programs and another 1,176,029 children in the free and reduced price category would have their cash assistance eliminated under the National School Lunch Program and the Child Care Food Program. Child nutrition programs experienced a severe budget cut in 1981, 12 times greater than its proportionate share of the Federal budget. These programs have already contributed more than their fair share to reducing the Federal deficit.

Another significant loss would be in the Chapter 1 Migrant education programs. Although Chapter 1 is proposed to receive the same level as the FY 1986 appropriated, a shift is proposed within the program. Nationally, the migrant education program would be reduced $62 million, while the LEA grant would be increased $61 million and evaluation $1 million. The change in the migrant program assumes Congressional enactment of legislation to reduce the time a migrant child is considered "migrant". This would result in a loss of $19.2 million and in the elimination of 31,000 migrants from the program in California. The supplemental services provided under this program help in decreasing the gap in educational growth and development suffered during migratory years. Past studies have shown that without such services the dropout rate may increase.

California receives nearly 40% of the combined immigrants and refugees to the United States, much of which occurs as a result of Federal policies. The new families place an increased demand on school districts for many special education and social services to assist in their transition. The two Federal programs designed to assist school districts to meet this need would be eliminated: emergency immigrant education assistance and the transition program for refugee children. The total loss for California would be $19 million, eliminating the only support available for buildings, transportation, health and social services to approximately 112,500 children.

It is encouraging that the President's budget proposes $75 million for new reform legislation for teacher training and the improvement of the teaching profession. However, this is more than offset by reductions in P.L. 98-377, the Education for Economic Security Act, which provides support for math, science, and foreign languages, and the elimination of both the Leadership in Education and Administrative Development (LEAD) and the Carl D. Perkins Scholarship. California is facing one of the most severe teacher shortages in its history, with a need to hire 100,000 new teachers in the next five years. A reduction in Federal support for teacher training at this time will severely set back our efforts in this critical area.

CONCLUSION

Our national security is dependent on a strong educational system. The protection of our freedoms, our people, and our nation depends not only on a solid defense program, but also on a well educated citizenry. If we are to stay competitive in an increasingly complex world market, if our young people are to have equal opportunities with young people from other countries, and if students are to learn to respect our democracy and our heritage, we must provide the best possible education.

Gramm-Rudman and the President's proposals would initiate a series of reductions which by 1991 could seriously curtail the Federal role in education. Historically education has been a local operation, a state responsibility, and a Federal concern. Federal education programs have provided the marginal resources necessary to assist state and local efforts in providing equal educational opportunity to all students.

In recent years states have proven that they are doing their part in providing both the leadership and the resources to accomplish the established need for education reform. It is not only unfair, but potentially damaging to our progress, for the Federal government to pull out needed support. Federal education assistance continues to be critical to California at this time when educational reform, increased enrollments, and teacher and facilities shortages are absorbing all available state and local resources.

ATTACHMENT A

HIGHLIGHTS IN BRIEF, PRESIDENT'S FY 1987 BUDGET PROPOSALS, ELEMENTARY AND SECONDARY EDUCATION

The President's FY 1987 Budget includes, for the seventh consecutive budget proposal, very large reductions in funding for Federal education programs.

Overall for the U.S. Department of Education, the FY 1987 Budget calls for a $3.2 billion, or 17.5%, reduction from the FY 1986 appropriated level. For FY 1986, in addition to the $678 million (4.3%) required to be sequestered under Gramm-Rudman by March 1, 1986, the President proposes that a $1 billion rescission be enacted by Congress in the next 45 legislative days. The combined Gramm-Rudman and rescission reductions would result in a total USED decrease for FY 1986 of $1.7 billion, or 9.2%. From this revised FY 1986 level, the President's Budget would reduce funding for FY 1987 an additional $1.5 billion for a combined FY 1986-87 cumulative loss of $3.2 billion.

These reductions compare to similar decreases proposed for other domestic programs, while military defense programs would receive an additional 8% above a 4% inflationary increase.

The following provides a brief summary of the proposals affecting elementary and secondary programs in various Federal agencies.

U.S. DEPARTMENT OF EDUCATION

For elementary and secondary programs, the FY 1987 Budget proposes a cut of $735 million, or 9.6 % from the FY 1986 appropriated level. For FY 1986, the combined Gramm-Rudman and rescission decrease would equal $652 million, or an 8.5% reduction from the FY 1986 appropriated level. (Note: If all of the proposed reductions for FY 1986 were to be enacted, the reduction under the FY 1987 request would be $83.4 million, or 1.1% from the revised FY 1986 level.)

Table A summarizes the elementary and secondary program for which FY 1986 rescissions are requested in addition to the Gramm-Rudman cuts. In USED, these include eight elementary/secondary programs totaling $313 million, which combined with Gramm-Rudman would suffer a loss of $413 million, or an average 18%. Five would be terminated entirely. In addition, LSCA (libraries) would receive an accumulated loss of $31.5 million in FY 1986, or 26%, and the Perkins Scholarship and the Migrant High School Equivalency Program would be terminated.

Table B illustrates the major changes in elementary/secondary programs for FY 1987, as compared to the FY 1986 appropriated level. Ten programs would be terminated entirely, while major reductions would occur in vocational education, the handicapped, and impact aid. Programs not listed would receive the same level as appropriated in FY 1986.

It is important to note, however, that although Chapter 1 would receive the same level as FY 1986 appropriated, a shift is proposed within the program. The grants to LEA's would increase $61 million, and evaluation $1 million; the state agency migrant program would be reduced $62 million. The change in the migrants program assumes Congressional enactment of legislation to reduce the time a migrant child is considered "migrant". However, the Chapter 1 authorization is not scheduled to be considered in Congress until next year.

Several other proposals are important to highlight:

In bilingual education, USED will seek enactment of legislation to repeal the 4% limitation on funding for special alternative instructional programs;

A legislative proposal will be sent to Congress to revamp the Indian Education Act and the Department of Interior's Johnson O'Malley Act, and create a new State Formula Grant Program;

A Teacher Training and Improvement Act will be proposed to replace the current Math/Science program and expand and strengthen all disciplines of the teaching and school administration professions;

In vocational education which would receive a drastic reduction in FY 1986 and FY 1987, the Administration is emphasizing that funds be spent on disadvantaged populations and be concentrated on core curriculum rather than general vocational education programs.

In Adult Education, a $2 million increase is proposed for nationally significant research, development, and evaluation projects, particularly in adult literacy;

Legislation will be resubmitted to allow for tuition tax credits; and

A $10.6 million increase is proposed for education research and improvement under the National Institute of Education.

U.S. DEPARTMENT OF AGRICULTURE

Nutrition programs

Once again, the Child Nutrition and Special Milk Programs are proposed to be drastically cut in FY 1987. The FY 1987 request for Child Nutrition is for a reduction of $775 million or 17% below the FY 1987 current level estimate. For Special

Milk, the FY 1987 proposal is for a reduction of $14.9 million, or 91% below the FY 1987 current level estimate.

The following legislative changes are proposed for FY 1987:

Eliminate cash and commodity subsidies for those children whose family's income exceeds 185% of the poverty index (Section 4 funding for the paid child);

Increase the commodity rate to 24 cents for the free and reduced price child and eliminate the 12 cents cash reimbursement for the free and reduced price child (Section 4);

Eliminate Nutrition Education and Training Program;

Eliminate the Summer Food Service Program for Children's administrative reimbursement to sponsors and lower the meal reimbursement rates to equal those of the National School Lunch Program;

Eliminate the Child Care Food Program 2% audit funds for state agencies to conduct audits. Also, institute a means test requirement for the Family Day Care Homes;

Lower the State Administrative Expense budget amount by $19.6 million in order to recoup previous year's unallocated funds.

Eliminate the Special Milk Program for all children whose family's income exceeds 130% of the poverty index (only children who qualify as free will be eligible for the Special Milk Program).

For FY 1986, legislation will be proposed to eliminate the Federal subsidy to non-needy participants in Child Nutrition (−$66.6 million) and Special Milk Programs (−$3.5 million), for a total reduction of $70.1 million. This reduction is proposed to take effect during the months of July 1-September 30, 1986.

Timber sales

The President's FY 1987 Budget proposes once again to reduce the amount of Forest Reserve receipts paid to States for distribution to the counties where the receipts originated, to be used for roads and schools. The proposal is to calculate each State's payment on a net receipts basis, instead of a gross receipts basis. All the direct cost of managing the receipt generating programs plus such indirect costs as protection of forest lands from fire and insects are deducted from total receipts generated in each State before determining the amount due to the State.

Under existing legislation, FY 1987 payments would be $309.7 million. The net receipts proposal would reduce them to $84.9 million, a 73% decrease.

DEPARTMENT OF LABOR

Under the Job Training Partnership Act, 8% of the State Block Grant is earmarked for education programs.

The FY 1986 appropriated level for block grants is $1.863 billion, of which $80 million will be reduced by Gramm-Rudman, leaving a revised total of $1.783 billion.

The President's FY 1987 proposal is $1.820 billion, $43 million or 2.3% below the FY 1986 appropriated level.

DEPARTMENT OF ENERGY

The Schools and Hospitals Energy Conservation Program would be eliminated in FY 1987.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Refugee education

Educational assistance ($16.6 million) under the Refugee and Entrant Assistance Program is proposed to be eliminated by rescission in FY 1986, and zero funding for FY 1987.

TABLE A.—U.S. DEPARTMENT OF EDUCATION PROPOSED FISCAL YEAR 1986 RESCISSIONS
ELEMENTARY/SECONDARY EDUCATION PROGRAMS

[Dollar amounts in thousands]

U.S. Department of Education	GR-I	Rescission	Total	Percentage of reduction
Elementary/Secondary programs:				
LEAD	$323	$7,177	$7,500	100
Excellence in education	108	2,392	2,500	100

TABLE A.—U.S. DEPARTMENT OF EDUCATION PROPOSED FISCAL YEAR 1986 RESCISSIONS ELEMENTARY/SECONDARY EDUCATION PROGRAMS—Continued

[Dollar amounts in thousands]

U.S. Department of Education	GR-I	Rescission	Total	Percentage of reduction
Women's educational equity	258	5,742	6,000	100
CRA-IV	1,032	6,968	8,000	33
Follow Through	323	7,177	7,500	100
Immigrant education	1,290	28,710	30,000	100
Education for handicapped	60,664	44,364	105,028	7
Vocational education	36,535	210,337	246,872	29
Elementary/secondary subtotal:	100,533	312,867	413,400	18
Other programs:				
LSCA (libraries)	5,182	26,318	31,500	26
Perkins scholarships	430	9,570	10,000	100
Migrants [1]	271	6,029	6,300	100

[1] High School Equivalency Program for Migrants (HEA IV-A-5)

TABLE B.—U.S. DEPARTMENT OF EDUCATION PROPOSED CHANGES FOR FISCAL YEAR 1987 ELEMENTARY/SECONDARY PROGRAMS COMPARED TO FISCAL YEAR 1986 PRE-GRAMM-RUDMAN LEVEL

[Dollars amounts in thousands]

U.S. Department of Education	Change	Percentage of change
Impact aid	−$144,500	−21
Teacher training	+75,000	+100
Mathematics/Science	−45,000	−100
LEAD	−7,500	−100
Excellence in education	−2,500	−100
Women's educational equity	−6,000	−100
CRA-IV	−24,000	−100
Follow Through	−7,500	−100
Indian education [1]	+8,658	+13
Bilingual education [2]	+3,836	+3
Immigrant education	−30,000	−100
Education for handicapped	−107,310	−8
Vocational education	−441,526	−52
Adult education	+2,037	+2
Migrants [3]	−6,300	−100
Perkins scholarships	−10,000	−100
LSCA (libraries)	−120,500	−100
NIE	+10,600	+18

[1] The increase in Indian education results from a proposed shift in responsibilities from Department of Interior to USED. No net increase.
[2] The increase in bilingual education results from the termination of bilingual vocational training shown in this year's USED tables under vocational education. No net increase.
[3] High School Equivalency Program for Migrants (HEA-IV-A-5)

ATTACHMENT B.—CALIFORNIA FEDERAL ELEMENTARY/SECONDARY EDUCATION FUNDS, ESTIMATED IMPACT OF BUDGET PROPOSALS, FISCAL YEARS 1986 AND 1987

[Dollars in thousands]

	Fiscal year 1986—				Fiscal year 1987—		
	Estimate*	Post GR-I (4.3 percent)	Revised request [1]	Decrease (col. 1–3)	Budget request	Change (col. 1–5)	Percent change (col. 1–5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Department of Education:							
ECIA Ch. 1	$381,271	$364,876	$364,876	$16,395	[2] $362,095	—$19,176	—5.0
ECIA Ch. 2 [3]	48,018	45,353	45,953	2,065	48,018		.0
Impact aid [4]*	65,000	63,000	63,000	2,000	56,000	—9,000	—13.8
Bilingual education	23,669	22,651	22,651	1,018	23,669	—	0—
Handicapped [5]	110,325	105,580	103,084	7,241	103,273	—7,052	—6.4
Vocational education [6]	70,819	67,774	50,041	20,778	33,644	—31,175	—52.5
Adult education	8,135	7,785	7,785	350	8,138	+3	.0
Indian education	4,153	3,974	3,974	179	[7] 4,679	+526	+12.7
Civil Rights (CRA–IV)*	1,659	1,588	1,106	553	0	—1,659	—100.0
Follow through	920	880	0	920	0	—920	—100.0
Women's education equity*	583	558	0	583	0	—583	—100.0
Immigrant education	14,229	13,617	0	14,229	0	—14,229	—100.0
Magnet schools	5,207	4,983	4,983	224	5,207		.0
Science and math	3,892	3,725	3,725	167	0	—3,892	—100.0
Teacher training [8]					5,913	+5,913	+100.0
Excellence in education	N.A.	N.A.	N.A.	N.A.	0	N.A.	—100.0
LEAD	N.A.	N.A.	N.A.	N.A.	0	N.A.	—100.0
Subtotal, elementary/secondary	737,880	706,944	671,178	66,702	650,636	—87,244	—11.8
Libraries (LSCA)*	10,580	10,125	8,304	2,276	0	—10,580	—100.0
Subtotal, Department of Education	748,460	717,069	679,482	68,978	650,636	—97,824	—13.1
Department of Agriculture: Child nutrition*	418,404	418,404	409,657	8,747	445,970	[9] —47,629	—9.5
Department of HHS:							
Refugee education*	4,676	4,475	0	4,676	0	—4,676	—100.0
Head Start*	99,496	95,218	95,218	4,278	98,457	—1,039	—1.0
Department of Energy:							
Schools and hospitals Energy Conservation Program	941	901	901	40	0	—941	—100.0
Department of Labor: JTPA [10]	16,069	15,168	15,168	901	15,702	—367	—2.3
Grand total	1,288,046	1,251,235	1,200,426	87,620	1,135,570	—152,476	—11.8

[1] Column 3 reflects the fiscal year 1986 levels after deducting the Gramm-Rudman cuts and proposed fiscal year 1986 rescissions.

[2] Although the fiscal year 1987 budget for chapter 1 provides for the same overall level nationally as fiscal year 1986, there is a proposed increase in LEA grants of $61 million and a decrease in the migrant State agency program of $62 million. This shift would result in a reduction in California's allocation.

[3] State block grant only.

[4] Includes "A" and "B" payments only.

[5] State grants and pre-school incentive grants only.

[6] Basic and Homemaker grants.

[7] This estimate is based on current legislation. The new legislation to be proposed is not yet available for analysis, and will change California's share of the program.

[8] New legislation to be proposed in 1986. Fiscal year 1987 funding level for California is still $2.7 million below $8.6 million received under Math/Science for fiscal year 1985.

[9] The loss shown is compared to $498,500,000 projected for California in fiscal year 1987 under current law. The column 5 is adjusted for comparability.

[10] Includes only amount from block grant going to CSDE (8 percent).

* Programs with an asterisk are current year funded; funds are available for school year 1985–86. The remainder of the programs are forward funded; available for school year 1986–87.

ATTACHMENT C.—CALIFORNIA STATE DEPARTMENT OF EDUCATION CHILD NUTRITION AND FOOD DISTRIBUTION DIVISION, PROPOSED 1987 PROGRAM LEVEL

Program	Current law	Proposed legislation
Child Nutrition Programs:		
Cash Grants to California:		
School Lunch Program:		
Section 4	$59,351,771	$5,046,285
Section 11	272,875,869	272,875,869
School breakfast	59,833,033	59,087,040
State administrative expense	4,900,302	[1]
Summer food [2]		
Child care food	53,017,854	48,429,434
Total Cash Grants to California	449,978,829	385,438,528
NETP	421,942	0
Commodities	46,399,334	59,902,374
Total Child Nutrition Programs	496,800,105	445,341,002
Special Milk Program	1,700,000	629,455
Total Food and Nutrition Services	[3] 498,500,105	445,970,457

[1] Unable to measure.
[2] California does not administer this program.
[3] Total $498,500,105 should exclude $4,900,302 SAE projected under current law. The loss to California is $47,629,346.

PRESIDENT'S FISCAL YEAR 1987 BUDGET FOR CHILD NUTRITION, IMPACT ON CALIFORNIA

Attached is a detailed analysis of the impact of the President's budget request on child nutrition programs in California, in terms of both funding levels and program.

As the first table on funding levels indicates, the President's FY 1987 proposal would result in a $47.6 million reduction, or a 9.5% loss for California, from the FY 1987 levels projected under current statute.

Approximately 914,810 children would be eliminated from the following five programs: National School Lunch Program, School Breakfast Program, Child Care Food Program, Special Milk Program, and the Nutrition Education and Training Program. In addition, 1,176,029 children in the free and reduced price category would have their cash assistance eliminated under the National School Lunch Program and the Child Care Food Program. The increase of commodities proposed under the President's Budget would not compensate a school district's loss of cash flow. In addition, many school districts are limited in their storage space and would be unable to benefit by the proposed commodity increase.

Finally, as the flow chart on participation trends indicates, child nutrition programs experienced a severe budget cut in 1981, twelve times greater than its proportionate share of the Federal budget. California still has not recovered the level of participation in nutrition programs that it had prior to the 1981 budget cuts. Since 1981, total participation has decreased 11.5% in the National School Lunch Program and 4% in the School Breakfast Program.

CALIFORNIA STATE DEPARTMENT OF EDUCATION, CHILD NUTRITION AND FOOD DISTRIBUTION DIVISION, PROPOSED 1987 FEDERAL BUDGET CUTS, IMPACT ON CALIFORNIA CHILD NUTRITION PROGRAMS

Proposed cuts	Percent of participation	Children impacted	Fiscal impact	Fiscal program totals
A. National School Lunch Program (NSLP):				
Scope of program:				
Total number of sponsors—1,169.				
Total number of lunches served each day—1,823,304.				
1. Eliminates the cash and commodity assistance to the paying child (child whose family's income exceeds 185% of the poverty index) [1].	35% of NSLP	[4] [5] 705,815	—$40,807,683	
2. Eliminates the base cash assistance to children eligible for free and reduced price meals	65% of NSLP (58% free; 7% Reduced)	[5] 1,117,489	—$33,270,598	
3. Increases cash commodity assistance to children eligible for free and reduced price meals			[2] +$32,605,186	
Total loss to NSLP				[2] $41,473,095
B. School Breakfast Program (SBP):				
Scope of program:				
Total number of sponsors—455.				
Total number of breakfasts served each day—407,148.				
1. Eliminates the base meal cash assistance to the paying child (child whose family's income exceeds 185% of the poverty index) [1].	9% of SBP	[4] [5] 38,474	—$745,993	
Total loss to SBP				$746,993
C. Child Care Food Program (CCFP):				
Scope of program:				
Total number of sponsors: Centers: 498 with 1,370 sites; Family Day Care Houses: 80 with 9,239 homes.				
Total number of lunches served each day—105,050.				
Total number of breakfasts served each day—72,411.				
1. Eliminates the cash and commodity assistance to the paying child (child whose family's income exceeds 185% of the poverty index).	24% of CCFP (Centers Only)	[4] [5] 46,510	—$2,002,564	
2. Eliminates the base cash assistance to children eligible for free and reduced price meals	76% of CCFP (59% free, 17% Reduced) (Centers Only).	[5] 58,540	—$2,485,652	
3. Eliminates the special fund for state Child Care Food audits. Approximately 450 of the 578 CCFP sponsors would go unaudited according to the organization-wide audit requirement because CCFP is the only source of federal funds.			$806,151	
4. Requires an income eligibility test for participants in Family Day Care Homes. While the exact impact cannot be determined at this time, there are currently 48,208 children in participating Family Day Care Homes.			[6]	
5. Increases cash commodity assistance to children eligible for free and reduced price meals			+$1,376,596	
Total loss to CCFP			$3,917,771	

D. Special Milk Program (SMP):				
Scope of program: Total number of sponsors—545.				
1. Eliminates the cash assistance for milk served children whose family's income exceeds 130% of poverty index.	[4] [5] 62,605	—$1,070,545		
Total loss to SMP				$1,070,545
E. Nutrition Education and Training Program (NETP):				
Scope of program:				
Total number of local training grants—75.				
Nutrition education serves through mini Grant Programs: 96,380 Children; 79,015 Adults.				
1. Eliminates the Nutrition Education and Training Program (NETP). To date, more than 24,000 Nutrition Education curriculum guides and resource manuals have been published and distributed.	96,880	—$421,942		
Total loss to NETP				$421,942
F. Summer Food Service Program:				
1. Eliminates special per meal administrative reimbursement rates and modifies the general reimbursement rates in the SFSP.		[6]		
G. State Administrative Expense: [3]				
1. Offset for 1987, the State Administrative Expenses (SAE) by the amount of carryover		[6]		
Grand total				$47,629,346

*COLA: No COLA's have been built into these projections for reimbursement rates.

[1] This subsidy is sometimes referred to as a grant-in-aid to schools to support the basic intrastructure of the school cafeteria.

[2] Assumes schools have sufficient storage and freezer space and that they can use the increased commodity allotment.

[3] Each $1M loss in local assistance funds in 1987 results in approximately $12,000 loss in State Administrative Expense funds (or approximately $571,000) in 1989.

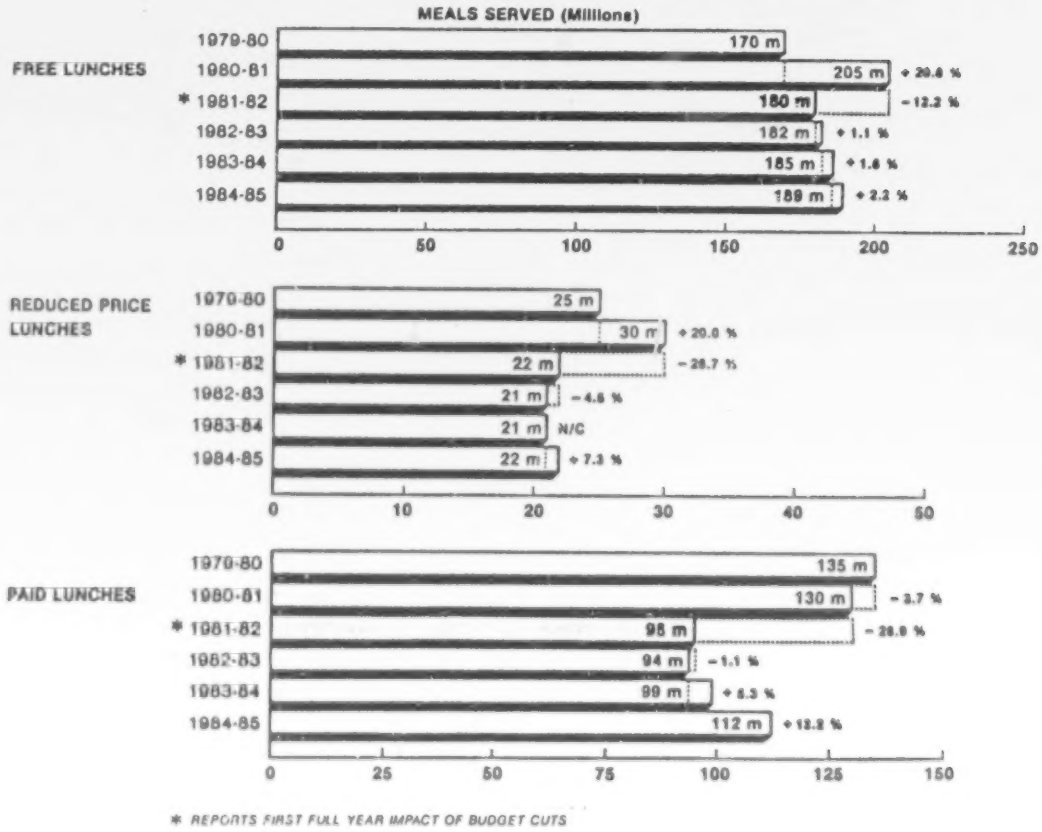
[4] Total number of children eliminated from child nutrition programs: 914,810.

[5] Average daily participation.

[6] Unable to measure fiscal impact.

California Department of Education

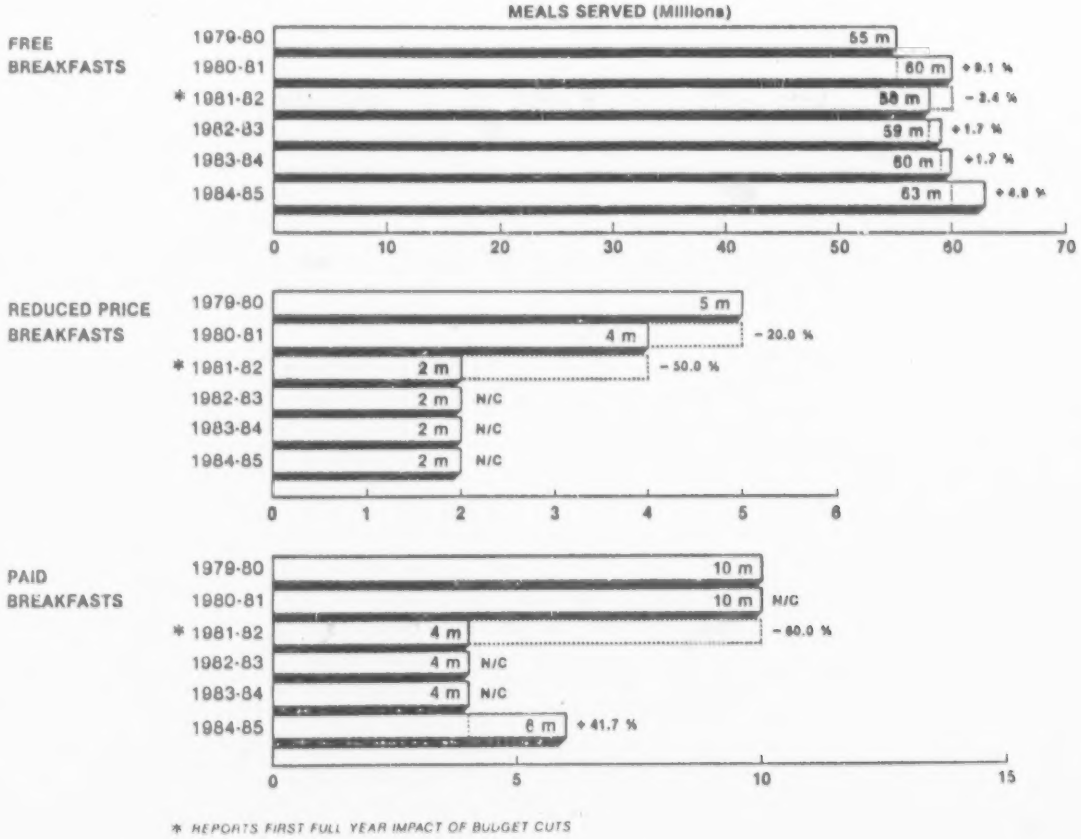
PARTICIPATION TRENDS FOR SCHOOL LUNCH PROGRAM



* REPORTS FIRST FULL YEAR IMPACT OF BUDGET CUTS

California Department of Education

PARTICIPATION TRENDS FOR SCHOOL BREAKFAST PROGRAM



* REPORTS FIRST FULL YEAR IMPACT OF BUDGET CUTS

Mr. DYMALLY. Mr. Chairman, I have two questions. One, Mr. Ted Kimbrough of Compton made reference to a bill or a bond issue that would address the question of rehab of buildings or possibly new construction. Is anything in the hopper on that yet?

Ms. IMOBERSTEG. Yes. I understand there is some State legislation on the school facilities. I'm not familiar with all the particulars. I can provide that for you later, if you'd like.

Mr. DYMALLY. Second, since 1981 and possibly before you've been having problems with the refugee program, the funding. Every year we have to sign petitions to the administration. Are you telling me that situation has worsened now as a result of the proposed cuts with the refugees?

Ms. IMOBERSTEG. Well, the current proposal in the President's budget, which would eliminate those programs, would totally again eliminate that funding. And yet we continue to receive the immigrant and refugees in California and continue to have the impact in the districts. And because of the nature of the student, they often require special educational services, and therefore they are more costly students?

Mr. DYMALLY. What's the dollar amount?

Ms. IMOBERSTEG. I'm sorry. I don't have that.

Mr. DYMALLY. You don't have that?

Ms. IMOBERSTEG. I can provide it for you though.

Mr. DYMALLY. Thank you, Mr. Chairman.

Chairman HAWKINS. Yes. Ms. ImObersteg, it is my understanding that you have indicated there are certain restraints that would prevent the State from picking up the difference even if it desired to do so. Outside of the constitutional amendment that imposes a restraint, is there any other way that you could do it? I recognize one other pathetic fact, namely, that our State stands about 27th in the Nation in terms of per capita expenditure in elementary and secondary education. In other words, we're much below the national average, which is to me embarrassing because for a long, long time we bragged about the greatness of our schools and the commitment we had made to education. It seems that somewhere along the way we lost such a commitment and that to me, is a source of complete dissatisfaction with what we are doing. Now, obviously I can't blame you, we can't blame the Department of Education for the fact that the constitutional amendment does impose a restraint on you.

Let's assume, however, that the Federal cuts go through and the Federal share of education funding—which is a little over 6 percent at this time, as compared with 9 or 10 percent just 5 years ago—let's assume that the administration's goal is carried out and that it goes down to zero. Assuming that this happens and assuming that you cannot in any way obtain any alternative, then what is the future for education in this State? Do you have any suggestion that you could offer to this committee as to what is a way out? You've heard from some of the school districts today, you know what they're facing at their level. If we can't make it up at the Federal level, which certainly doesn't seem possible at this time, then the State is the only alternative.

Ms. IMOBERSTEG. I see the situation as desperate, quite frankly, fiscally. We do have the needs to continue to improve, to hope, for

example, you know, in California we have the worst pupil/teacher ratio in the entire country. There are needs to not only improve those types of things in order for our reform movements to work, but we're going to need approximately 110,000 more teachers by 1990. So, we need a lot more aggressive teacher recruitment, teacher training efforts. In order for us to keep moving forward, you know, to our department it is necessary to continue to receive adequate funding to do that. The Gann Limit is a real constraint, not only at the State level with regard to the categorical funding that passes through the State, but also at the local level. There's a local Gann Limit with regard to the general aid. The only way that some programs would survive is by cannibalizing others, and that is not something that we advocate, because the programs that are currently in California, the Federal and the State programs, we see as extremely important to the movement forward for education.

Chairman HAWKINS. Do you think that there's any waste left in any of the budgets that can be eliminated to help out?

Ms. IMOBERSTEG. There always may be a thin pinch. I think at this point with a 31-percent decrease since fiscal year 1980, I would say at this point you may find it in some places, but it would be extremely rare. The more constant situation would be as indicated in Compton, where the superintendent went through the roof three times because facilities have been untended, uncared for for a number of years, to no one's fault, but because of decrease of funding.

Chairman HAWKINS. Well, Mr. Dymally referred to the overcrowded schools, some dilapidated schools. I have the distinction of representing the most overcrowded school in the world in my district. I take it that there's not much hope that type of a situation will be alleviated then?

Ms. IMOBERSTEG. No, unfortunately I don't—we would like to see new facilities. I think districts are being creative and they're looking at alternatives to the use of facilities like year round schooling, because they understand the money isn't there. Of course, we'll continue to try to seek that to ensure that the children get the best facilities and safest facilities and the best type of schedule for educational learning. However, I think that at this point we're cognizant of the realities. This is not a time to go ask for new facilities where you don't need them. You try to patch, you try to repair, and that's I think the attitude in education at this point in time. That's why I say you're going to have a hard time finding that little pinch of fat left in the education budget, because too many years have passed since we've had increases to keep up with those current services.

Chairman HAWKINS. Thank you.

Mr. DYMALLY. Mr. Chairman?

Chairman HAWKINS. Mr. Dymally.

Mr. DYMALLY. The witness mentioned the question of all-year-round school.

Ms. IMOBERSTEG. Yes.

Mr. DYMALLY. The one experience I had with Congressman Hawkins did not lead me to conclude as do others that it is an innovative project, because in that particular high school he had reference to, the only way you can heat the auditorium where classes

are held, is to have sunlight and 2,000 bodies. There's no heating in the auditorium except human heat and sunlight. And so, children are asked to hold classes there in the morning in their overcoats in the winter and in the summer it's too hot. It may in theory sound like an innovative idea. I'm not saying you said that. Some other people have said that, but there are some very, very basic problems involved in that whole change and I think we need to be really examining whether children are comfortable in those—in that environment.

Ms. IMOBERSTEG. I absolutely agree. I think that creativity needs to be definitely limited by adequate facilities, adequate heating, because just as a child can not learn on an empty stomach, a child cannot learn shivering in his seat.

Mr. DYMALLY. Thank you, Mr. Chairman.

Chairman HAWKINS. Well, thanks.

Ms. IMOBERSTEG. Thank you very much.

Chairman HAWKINS. The Chair is advised by Mr. Dymally, that there is a representative from Pico Riviera. Would that person kindly step forward and identify your name and position for the record. We did end up with a little time and we're very, very pleased to be able to afford that time to you.

The statement in its entirety will be printed in the record at this point, and the witness is proceeding to give us the highlights of the statement.

STATEMENT OF FORTUNATO GARCIA, CHAIRPERSON, WHITTIER AREA CONSORTIUM, -COORDINATOR, COMP. ED., EL RANCHO UNIFIED SCHOOL DISTRICT

Mr. GARCIA. Thank you, Mr. Hawkins, Mr. Dymally.

Mr. Chairman, I'm Fortunato Garcia, I'm chairperson for the Whittier Area Consortium. The consortium is comprised of seven small districts to medium districts. Our district is approximately 10,000 ADA. The districts serve approximately 60,000 students K to 12.

During the past few days I've had the opportunity to speak to each of the superintendents in our consortium directly or through my associates. As a result we are totally in agreement that the proposed voucher plan TEACH, would be detrimental to public education.

In our considered opinion, if instituted, the voucher plan would have an extremely negative impact on the already drained public education system. It would take vital dollars from public education and channel it to the private sector.

As you are aware, public schools are operating on a very small percentage of the gross national product, yet there is a false perception that the public schools are awash in money. This simply is not the case. The school districts in our consortium over the past 5 years have lost ground in their funding levels for children with the greatest educational needs. We currently average $150 to $300 per eligible chapter 1 student for supplemental services. These services provide vital supplemental materials, computer and reading labs, aides and resource teachers to reduce the student/teacher ratio

and close the educational gap between chapter 1 and nonchapter 1 students.

Public education simply cannot afford to experience further cuts in funding for its schools. The education system in the United States has been instrumental in allowing our diverse population to better prepare themselves to make a positive contribution to our society. Only through the process we know as public education can we assure that our Nation will remain the leader in the democratic way of life throughout the world.

I therefore strongly urge you to vote against the voucher plan as currently proposed and to utilize your influence to see that it does not become a reality.

In concluding, I'd just like to mention that what I said today also addresses cuts in other program areas, and I think we've had ample rationale as to the effect of cuts in education.

Thank you.

Chairman HAWKINS. Thank you very much. What are the schools in that consortium doing to face those cuts that come in shortly?

Mr. GARCIA. What we're doing is to attempt to continue to maintain the number of children who are presently being served, however that is no longer possible. We are going to have to either—we're going to have to make the same decisions that were addressed earlier. We're going to have to start looking at cutting out the number of children that we can serve that we are currently serving. We are going to have to begin to look at laying off instructional aides, resource teachers. In our district we've already—at one school we've had to cut back a resource teacher, which cut out a vital computer program. Now, that computer program may or may not come back in the future. Other districts through our consortium, as we meet, have indicated that they are facing the same problem. They are having to cut back vital resource positions that have helped those schools better utilize those funds. We are constantly in a battle with district having to look toward the Compensatory Education Program to do what I believe the district should be doing, and it's not because the district is attempting to take away the money. They are also fighting for the same resources.

Chairman HAWKINS. In expressing your opposition to the voucher plan, are you speaking for the consortium that you represent or are you——

Mr. GARCIA. Yes, I am.

Chairman HAWKINS [continuing]. Or are you speaking as an individual?

Mr. GARCIA. And every single superintendent in that consortium.

Chairman HAWKINS. Unfortunately, that word doesn't seem to be getting back to Washington, and I would certainly suggest that your position as representative of the consortium be made more publicly visible so that the committee will have the benefit of that position when we do discuss the voucher plan. We're in the process of doing so at this time.

Mr. GARCIA. I will pursue that. I'd like to add that, you know, every one of us is directly involved one way or the other through AXA, through the National Association of Special Project Administrators, and they also have carried our voice to Washington. But, I do agree that it's only through the individual districts like our-

selves or consortiums speaking out, that we can truly tell you that this is what we're feeling. We are the only ones I think that can point out to you from within our own districts what it means. In my district alone, last year we took a $100,000 cut in chapter 1 services.

Chairman HAWKINS. So, you can't afford to lose any more money?

Mr. GARCIA. We cannot.

Chairman HAWKINS. Well, the Chair would like to commend you on your patience. I think you were the first individual in the room this morning, and you're the last witness, so that demonstrates some commitment itself.

Mr. GARCIA. Thank you, Mr. Chairman.

Chairman HAWKINS. That concludes the witnesses. Mr. Dymally, again we want to thank you for having persuaded us to conduct this hearing. I think it's been very helpful and the witnesses have been excellent, very accommodating and cooperative and we certainly express our appreciation to you.

Mr. DYMALLY. Thank you, Mr. Chairman. I want to let you know how fortunate we were in this area to have the committee come here considering the fact that we're in the process of holding hearings on these fragile subjects which were raised by the witnesses. I also want to commend the witnesses for being very direct and to the point dealing with the proposed cuts that we are about to experience, and Mr. Chairman, I want to thank you very much for coming here today.

Chairman HAWKINS. Thank you. That concludes the hearing of the Subcommittee on Elementary, Secondary, and Vocational Education.

[Whereupon, at 10:30 a.m. the hearing was adjourned.]

[Additional material submitted for the record follows:]

PREPARED STATEMENT OF W. ANN REYNOLDS, CHANCELLOR, THE CALIFORNIA STATE UNIVERSITY

Mr. Chairman, Members of the Subcommittee. I am W. Ann Reynolds, Chancellor of The California State University system. With its 325,000 students on 19 campuses located over the 1,000-mile length of the State, CSU is the largest four-year and graduate level university system in the Nation. In the past 25 years, 1.4 million men and women have earned academic degrees from our campuses. I am pleased to appear before you and to share my concerns about the potential impact of the Administration's FY 87 proposals on our students and programs.

Let me first address the question of student financial aid. Currently, about 75,000 CSU students receive financial assistance from Title IV Programs authorized by the Higher Education Act of 1965, as amended. These students receive nearly $200 million in the form of 125,000 awards which are combined into "packages" of grants, loans, and work-study employment. Pell Grants are utilized by 45,000 students, Guaranteed Student Loans by 45,000, National Direct Student Loans by 14,000, Supplemental Educational Opportunity Grants by 12,000, and College Work-Study by 9,000.

Although a number of CSU financial aid recipients are from middle income families, most are what used to be called "non-traditional" students: individuals who are low income, disadvantaged, ethnic minorities, self-supporting, reentry students, single parents, and disabled individuals. For several years increasing numbers of these students have enrolled as a result of programs designed to overcome underrepresentation on the campuses of the diverse, multi-ethnic population of California.

You may already be aware that CSU's fees are low. They average $700 a year, thanks to generous annual subsidies by California taxpayers. What is less generally known is that living expenses at many of our campuses are extremely high due to lack of residence halls and married student housing. Thus, in adding up expenses

associated with college attendance—fees, books and supplies, transportation, food and housing, and miscellaneous personal items—the cost is about $6,500 for a typical student who lives in an off-campus apartment for an academic year.

To offset those expenses, the typical student contributes nearly two-thirds of the $6,500 from loans and employment. He or she receives approximately 5 percent from his or her family or from public benefits, and the remaining 30 percent from Pell and other grants. Clearly, federal assistance to supplement student and family efforts is what makes college attendance possible for these students.

The situation is even more critical for our very low income students whose families are unable to make any contribution to the financing of their education. State grants augment Pell and Supplemental Educational Opportunity Grants, but under current circumstances even these low-income students must provide substantial self-help through a combination of summer and term-time employment as well as loans.

I offer an additional observation on this last point. As you know, among its over provisions, the Administration's proposal would require an $800 "self-help contribution" to be subtracted from a student's Pell Grant cost of attendance before the amount of the grant is determined. The rationale is "to make sure that no student receives a free ride." However, since this "self-help" would be in addition to the expected family contribution, the net effect would be Pell Grant reductions for low-income students and elimination of grants for low to middle income students.

"Reconciliation, rescissions, deferrals, sequestration, privatization . . ." None of these terms are household words for us who live outside of Washington. (In truth, there are times when we wonder whether they may be mystifying to those who live *inside* the Beltway.) Although assessing the likely impact of these various proposals on our students is hazardous, years of compiling statistics about the character and origins of our students in California--and their hopes and aspirations for a college education—tell us that the drastic measures in the Administration's FY 87 Budget wil be devastating.

If the proposals are adopted in their entirety, by the beginning of our 1987-88 academic year we estimate that they could eliminate in the CSU 10,000 Pell Grant awards, 14,000 Guaranteed Student Loans, and 10,000 awards in the campus-based programs. This will—with absolute certainty—cause thosuands and thousands of our student to forego, curtail, or discontinue their studies.

Before I leave this point, the proposal to amend the National Direct Student Loan Program into an income-contingent loan program with repayment amounts tied to future earnings, ought to be carefully examined. In CSU, we are proud of our student repayment record. More than 94 out of every 100 borrowers repay their loans on a timely basis. Our systemwide default rate as of last June 30 was only 5.87 percent. Having achieved this success rate by intensified billing and collection efforts, we have strong doubts about accepting an additional costly burden of administering a program characterized by uncertainty and complexity. We emphatically urge continuation of the present NDSL program.

Another matter of great concern to me is the Administration's set of funding proposals that affect teachers. CSU is the country's largest single preparer of teachers; we educate about 10 percent of all those credentialed each year in the nation. Elimination of Carl Perkins scholarships disturbs us greatly. It would come at a time when in California alone we face a shortage of up to 100,000 teachers in the next decade.

The teaching profession has suffered badly in recent years. We simply must attract the ablest students to teaching. Especially we must attract students from ethnic minorities. Scholarships are desperately needed. Young people who must borrow to pay for their education are inhibited from considering careers in teaching, knowing that the financial rewards can never be great.

We are concerned about broadening the use of funds for teacher training and improvement from science and math instruction. Even with a $30 million increase, the use of these funds spread across our Nation needs to be focused for maximum impact. Pre-college math and science education—especially for women and minorities—is our most serious problem. Carefully and cooperatively, we are working hard in our state to focus our energies. Halting these efforts in mid-stream to fragment the available limited support is ill-advised.

The outlook is not entirely dark, however. We are pleased that the Secretary wants to set aside 20 percent of these funds for projects of national significance. We understand that these might include awards to institutions to test innovative teacher education programs. We hope these awards are made to mainstream teacher education institutions—those state universities and colleges that prepare the bulk of the nation's teachers. As you may know, an active groups of so-called "research-oriented" institutions recently developed an interest in teacher education. They call

themselves the Holmes Group. Those of us who educate the bulk of the nation's teachers welcome their interest, but I urge you not to place precious dollars for innovation to create "hothouse" programs that serve small numbers of students in the vain hope these will influence the mainstream of teacher education. They will not. Instead the Secretary should develop criteria for awards that insist on impact of innovative programs on significant number of prospective teachers.

Further, we urge protection of research and development dollars in education. CSU is proud to be a partner in the Far West Regional Laboratory. This is one of nine such laboratories funded by the Office of Educational Research and Improvement of the U.S. Department of Education. These laboratories respond effectively to needs of their regions. For example, we will be working to improve success of minority students and teacher education, a high priority in the southern part of the four-state western region.

We are also concerned about eliminating funds for academic facilities, libraries, international studies, cooperative education, and veterans cost of instruction as well as the 50 percent reduction in Trio programs.

It is critical to eliminate the federal deficit and certainly you must grow weary of suggestions from interest groups to look elsewhere for cuts. However, for several years we have urged measures that would reduce costs associated with the Title IV programs. For example, in the Guaranteed Student Loan Program, we have advocated that *all* loans (not just those for students whose family incomes exceed $30,000) be based on demonstrated financial need. We have stongly supported the multiple disbursement concept. This would make it easier for students to budget their resources. It would minimize the potential loss in instances where student abruptly terminate their studies without informing either the lender or the campus authorities.

Finally, we supported efforts emanating from this Subcommittee—and which were eventually adopted by the House of Representatives in H.R. 3700—to retarget Title IV funds to students with limited means. Though we are aware that such action could reduce support for students from middle and upper middle income circumstances, we believe that the approach taken in H.R. 3700 is more equitable than either the Administration's budget proposals or the Gramm-Rudman deficit reduction measure.

Thank you for inviting me. I will be pleased to respond to questions you may have.

PREPARED STATEMENT OF WILLARD H. MURRAY, DEMOCRATIC CANDIDATE FOR THE 54TH ASSEMBLY DISTRICT OF THE STATE OF CALIFORNIA

Mr. Chairman. Thank you for recognizing me and allowing me to speak here today. I am Willard H. Murray and I am seeking the seat of Assemblyman for the 54th District of the Great State of California. While not an expert, I am knowledgable of the effects that are being realized by the State of California and the Assembly district which I seek to represent which includes large and small school districts. I will address federal cuts in education as a whole.

It is my opinion that in order to ensure a strong educational system and a vital nation, the State, Federal Government and local school district must be in the position to carry out their roles and work in accord with one another. The cuts in Federal funding, which have been the trend of the Reagan Administration, have placed an undue and unfair burden on the State of California, and this burden is felt in greater proportions by local school districts. This burden comes at a time when the United States of America is witnessing the worst economic crisis since the Great Depression and the deficit of this great nation of ours is at an all time record.

In the area of Elementary and Secondary Education, the cuts in federal spending have mounted to such great proportions that it may take years for our nation to recover. When comparing the actual federal appropriations from 1980 until the present, and adjusting for inflation, there is actually a 23.9 percent decrease in funding of the Chapter 1 program. This program provides funds for supplementary education and related services to educationally disadvantaged children. California suffers because of this. Chapter 2 of the Education Consolidation and Improvement Act of 1981, the program which provides block grants to State and local educational agencies and provides programs such as basic skills development, educational improvement and support services along with special projects in elementary and secondary schools has experienced a 54.6 percent cut (with inflation considered). The impact was felt greatest in urban areas which is much of what the district that I seek to represent consists of. California suffers because of this.

Bilingual Education, a subject that can not be ignored by the State of California at any level, has experienced a 44.7 percent decrease since 1980 (inflation adjusted). The impact of this cut for California is that more state funds will have to be allocated to this area at a time when economic crisis throughout the Nation does not allow the State to secure more taxes and thereby making revenues unavailable to sustain the program at the level needed. I must add that bilingual education is negatively correlated with income wealth or other measures of taxing and spending capabilities. California suffers because of this.

The Impact Aid Program provides financial assistance to local school districts for the cost of educating children. A cut in Federal activities has caused a financial burden to the district. The cuts in Federal funding of Impact Aid by approximately 36.2 percent has been especially hard for the State of California because of the amounts of Federal property which is in the State. California suffers because of this.

While education of the handicapped has fluctuated in terms of federal funding, the overall results have been negative and the nation has witnessed a 7.8 percent decrease. Mr. Chairman, the same is true for Vocational Rehabilitation.

Vocation education, the portion of education which is necessary in order for the State of California to meet the needs of the workforce of the future and ensure equity and equal opportunity for all Californians, has been cut to such a level that the industries of California will be hard pressed to have a workforce within the next few years. Nevertheless an educated and qualified one will ensure the national defense and stability of these United States. And, yes, California suffers because of this.

While the list goes on and on and includes such topics as adult education and adult literacy, I wish to speak now about a beacon of hope.

The hope I speak of is a piece of legislation which was recently introduced in the House of Representatives by the distinguished Chairman, (H.R. 747) "The Effective Schools Development in Education Act of 1985".

While it is true that the State of California has long since implemented a program similar to this legislation, in my opinion this legislation is much farther reaching and will benefit the 54th Assembly District as well as the State of California in most significant ways.

The effective schools bill has the purpose of assisting and encouraging State and local education agencies in broadening and improving effective school programs that they have developed and/or implemented. Through grants provided to states, this legislation will create effective schools by providing basic educational skills to the functionally illiterate parent; enhance a child's very early pre-school education; help parents learn how to teach three to seven year old children; and help the school administrators, teachers, and other school staff, parents and community to learn how to organize an effective school through school analysis of all of its functions and then develop and implement plans which will vastly improve those functions.

Mr. Chairman, the federal cuts in funding are hard for the State of California to adjust to. Your bill should help us do the job of educating our students in a more appropriate sound manner. California will be thankful when this bill becomes legislation. Then, perhaps we can make do with the awful cuts that we are experiencing.

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